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CHINA'S RISE AND RECONFIGURATION OF CENTRAL ASIA'S GEOPOLITICS: A CASE FOR U.S. "PIVOT" TO EURASIA

Roman Muzalevsky

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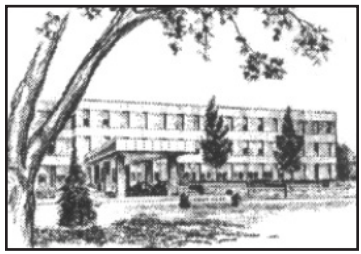

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FOREWORD

China's global rise has prompted numerous discussions and studies of this historically monumental phenomenon and its implications for the world. On the one hand, China's emergence as a global player has generated a lot of optimism for global development and economic convergence. On the other, it has spurred concerns about possible collisions on the world stage as existing and emerging powers seek to retain and redesign their roles and influences. Related opportunities and fears have been especially pronounced in countries neighboring China, including in Central Asia where the newly independent and post-Soviet republics face a possibility of yet another imperial expansion due to strategic advances of the "Middle Kingdom."

As the strongest power on the planet, the United States has a major stake in China's and the region's future because both directly affect the U.S. global standing and the U.S.-led global economic and security order. In this insightful and forward-looking work, Mr. Roman Muzalevsky, a widely published analyst and author of *Central Asia's Shrinking Connectivity Gap: Implications for U.S. Strategy* and *From Frozen Ties to Strategic Engagement: U.S.-Iranian Relationship in 2030*, assesses China's global rise through the prism of geopolitical and geo-economic forces sweeping through Central Asia. Mr. Muzalevsky concludes that the ability of the United States to "stay relevant globally" hinges on its capacity to boost its lacking regional strategic presence in Central Asia.

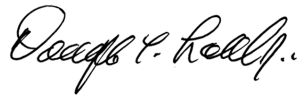
The author advocates for "a robust, direct, and long-term" U.S. engagement with the region. Washington, he argues, needs to complement its "Pivot to the Pacific" with a "Pivot to Eurasia" in order to shape

China's rise on both flanks and ensure a more managed evolution of the global economic and security architecture. According to Mr. Muzalevsky, the U.S. "pivot" to Asia has aggravated China's concerns of strategic encirclement by the United States and prompted Beijing to exploit an opening along the western track of its global expansion through Central Asia. China's regional activities, he finds, are rapidly sidelining all other powers, and the U.S. planned withdrawal from Afghanistan and the region may herald lost strategic opportunities for Washington.

The author presents a convincing case. Bejing is now the major economic force in the region and continues to build up other components of its strategic influence in Central Asia in areas as diverse as culture, politics, security, and military. China's growing footprint—if left unmanaged—could transform the region's geopolitics beyond recognition, undermining Washington's global role and the sovereignty of the Central Asian republics. This possibility should make strategic planners ponder the implications of China's potential hegemony in Central Asia, if not the world—an imperative that Mr. Muzalvesky cogently articulates and makes all too clear for policymakers.

China's rise and ongoing transformation of the region's geopolitics due to "push-pull forces" exerted by external actors are of strategic importance to the U.S. position as the global economic and military leader. The Strategic Studies Institute welcomes Mr. Muzalevsky's contribution to the study of these monumental issues and dynamics and highly recommends

this work for analysts and policymakers interested in the fate of China, the United, States, Central Asia, and the world.



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ABOUT THE AUTHOR

ROMAN MUZALEVSKY works for iJet International Inc., performing research, reporting, and analysis of global, regional, and national security affairs, risks, and trends, as well as providing incident response and crises management services. He is also a Contributing Analyst on Eurasian Affairs and Security at Jamestown Foundation. Previously, he worked for CSM Solutions Inc., National Democratic Institute, DFID Public Finance Reform Project, Central Asia-Caucasus Institute, security consultancy Wikistrat, and global strategy advisory consultancy Krull Corp. in the United States and Central Asia. He conducted research on security issues in the post-Soviet space at the Center for Political and Military Analysis at Hudson Institute as part of the George F. Jewett Foundation Fellowship Award for Projects on the Study and Practice of Grand Strategies. Mr. Muzalevsky has authored at least 100 articles on Eurasian and global affairs, geopolitics, security, and strategic trends. In 2014-15, he authored two works, *Central Asia's Shrinking Connectivity Gap: Implications for U.S. Strategy* and *From Frozen Ties to Strategic Engagement: U.S.-Iranian Relationship in 2030* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College). Mr. Muzalevsky received his M.A. in international affairs with concentration in security and strategy studies from Yale University and a diploma in international affairs from the International Ataturk Ala-Too University in Kyrgyzstan, Central Asia.

SUMMARY

China's emergence as a global actor has questioned the position of the United States as the strongest power and the future of the Washington-led global order. But achieving the status of a truly global player wielding influence in all dimensions of power would require China, among other things, to leverage its regional influence in Central Asia. This region is increasingly representing China's western leg of economic expansion and development, and is of a growing strategic importance for Beijing. It is also a region that should be of greater strategic importance to Washington, which seeks to preserve its leading position in the international system and ensure China's peaceful integration in the global political, security, and economic architecture.

The question of future economic and security order in Central Asia is thus of paramount importance to global stability. China is already projecting the strongest economic presence in the region and has the potential to build "comprehensive influence" across economic, cultural, political, military, and security spheres.

Just as in the Asia-Pacific, it is the rise of China and its perceived efforts at domination in Central Asia that are driving the reconfiguration of the region's geopolitics and are challenging the U.S. global supremacy, requiring Washington to advance creative economic and military solutions in the heart of Eurasia. To stay relevant globally and regionally, the United States has to pursue a robust, direct, and long-term strategy of engagement in Central Asia.

As it seeks to do so, Washington cannot premise its cooperation with other powers in Central Asia on

the isolation of China—a global force calling for engagement where beneficial and containment where necessary. Washington should boost military engagement in the region, upgrade its New Silk Road Strategy (NSRS), advance cooperation with key partners, and shape China's global ascendance by leveraging its position in Central Asia. It should consider joining multilateral institutions involving the regional countries and China, or seek the creation of new ones to shape China's regional activities. It should link its NSRS with China's "belt" strategy where it benefits the region's development while ensuring multidirectional contours of regional geo-economic forces. It should also start pondering how to leverage its potential strategic relationship with Iran, which links the Middle East with Central and South Asia, and shares growing economic ties with China. Finally, it should develop platforms of cooperation with China in economic and security spheres pertaining to both global and regional affairs.

None of these tasks are easy to accomplish. This policy monograph, written in March 2015, sheds light on the crucial forces at work, assesses the possibility and implications of China's hegemony in Central Asia, and highlights the need for Washington to play real politics at the table rather than from across the high seas.

CHINA'S RISE AND RECONFIGURATION OF CENTRAL ASIA'S GEOPOLITICS: A CASE FOR U.S. "PIVOT" TO EURASIA

INTRODUCTION

China's Rise and Shifting Landscape of Central Asia.

> Since China's opening to the world in 1978, the world has changed China—and now China is beginning to change the world.
>
> David Shambaugh[1]

Despite a slowdown of China's economy over the last few years, analysts view the long-term rise of the "Middle Kingdom" as a given—an unimpeded development challenging the U.S. global position and reshaping the global order, potentially through a war between the rising and the status quo power or an accommodation and global economic convergence. High economic growth since 1970s has turned China from an isolated actor confined to East Asia and constrained by the Cold War into the second-largest economy benefiting enormously from globalization. China has lifted hundreds of millions out of poverty, becoming the largest trading partner of more than 120 countries and producing $U.S.1.5 trillion more in gross domestic product (GDP) than the output of the rest of the BRICS' (Brazil, Russia, India, China, and South Africa) economies combined.[2] Today, China is shaping politics in every corner of the world, having overtaken the U.S. economy in 2014 as the world's largest, based on purchasing power parity calculations. By 2040, its economy is projected to be three times the size of the

U.S. economy and produce 40 percent of the global output.[3]

While Beijing's continued ascendance is not necessarily assured or bound to result in a "harmonious" world its grand strategy purportedly seeks to achieve, its expanding capabilities and global role have caused apprehension among powers of all shapes and sizes. This is evident in neighboring Central Asia—the region bordering China's restive Uyghur Autonomous Region of Xingjian and representing a "periphery" for China, a "backyard" for Russia, and a "forepost" for the United States. Traditionally viewed as a backwater—despite the collapse of the Soviet Union, which set the regional countries free, and the U.S. first-ever military presence in the post-Soviet space, which opened the region's connection with South Asia—Central Asia today is on the verge of being turned by China into the "Silk Road Economic Belt" linking dynamic centers in the East and the West and advancing the region's internal and external integration. Beijing's regional presence—growing rapidly and already changing the contours of the region's geopolitical space is projected to increase significantly, as China and Central Asian countries lay cross-regional investment, energy, trade, and transit infrastructure to satisfy their and China's growing appetite for Eurasian resources, markets, and investment opportunities.

China's growing capabilities and the "belt" strategy enable it to pursue a more assertive role in Central Asia so as to reduce its dependence on maritime routes patrolled by the U.S. and Indian navies; claim a geopolitical stake in the region contested by established and rising powers; enhance stability in Central and South Asia, especially following the withdrawal of U.S.-led coalition forces from Afghanistan; exploit trade,

investment, and energy development opportunities in Eurasia; and ensure a more even development of its coastal and continental zones. China's overall regional strategy hinges on its economic expansion, which has made it the dominant economic actor in Central Asia and is accelerating the geopolitical realignment in the heart of the continent, expanding the region's internal and external connectivity. As one analyst put it, "The frontiers of China are moving even if its boundaries are not." While China relies mostly on sea-borne trade, its expansion as the soon-to-be largest economy has spurred increased demand for transcontinental land corridors via Central Asia. Strategically important as they are for China's energy security, the land corridors would still not fully meet China's energy import needs and are arguably "more vulnerable to physical security disruptions than sea routes."[4]

Beijing has relied on the "belt" strategy, bilateral deals, and the Shanghai Cooperation Organization (SCO), comprised of China, Russia, and the Central Asian states of Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan, to expand economic flows that are supposed to link its internal areas with neighboring economic zones. Beijing's reliance on bi- and multilateral frameworks of cooperation fits the logic of a Chinese proverb that "we must walk with both legs."[5] Central Asia is emerging as a second "leg"—in addition to Beijing's "leg" in East Asia—and a springboard for China to develop its restive and poor areas of Xingjian, Tibet, and Inner Mongolia, and to expand its external, westward development push.

China is now the largest trading partner of Russia, Kazakhstan, and Turkmenistan, as well as the second-largest partner for Uzbekistan and Kyrgyzstan, and the third-largest partner for Tajikistan.[6] More than 75

percent of external trade of Xingjian, which hosts China's nuclear testing ground at Lop Nor and nuclear ballistic missiles, is with Central Asia. Xingjian, which means "new territory," is home to China's largest deposits of gold, uranium, oil, and gas. As China's economic growth model changes from the one predominantly based on savings and exports to the one based largely on domestic consumption and export of high-tech products,[7] the burgeoning "Middle Kingdom" will need to rely on nearby economic zones to sustain its economic expansion. This task is imperative, given a slowdown of China's economic growth rate, looming debt, and difficulties with the management of popular political and economic expectations regarding the country's development and role in global affairs. Central Asia's growing strategic importance for Beijing's transcontinental and global policies thus highlights benefits and challenges for the region's connectivity with the world and for the U.S. global role and policy, as Beijing seeks to secure its unity and the periphery (China often views its neighbors as "periphery countries"[8]).

Beijing's regional agenda conflicts with long-term designs of other powers, even if China has not yet matched its growing economic presence with military expansion in Central Asia. Great and medium-sized powers alike perceive its economic advances as constraining Russia-led Eurasian Union (EU), India's "Connect Central Asia" policy, and U.S. Silk Road Economic Strategy (NSRS), among other similar projects advanced by Japan, South Korea, Turkey, and other actors. Points of convergence exist within regional policies of these states, and select components of these policies contribute to regional development. But the long-term designs of these powers on Central

Asia can also produce mutually exclusive policies and outcomes or create conditions for instability due to external rivalries for influence and primacy in Central Asia. On the one hand—Russia and China: two authoritarian powers with imperial histories respectively are seeking to retain and project dominance in the region. Moscow and Beijing are advancing alternative and opposing geo-political visions for Central Asia, while working in concert and individually to keep Washington and Delhi out of the region. On the other hand—the United States and India: the democratic superpower from across the high seas and the global power-in-the-making from within the broader region, are respectively struggling to anchor their strategic presence, while trying to break Moscow's security monopoly and shape China's geo-economic expansion.

Converging and diverging capabilities and goals of these powers—both as loose partner camps and individual actors—and attempted multivector policies of the regional republics prompt reconfiguration of Central Asia's geopolitics by producing multidirectional "push-pull" forces and shifting economic flows that simultaneously "glue" the regional states and their partners together and pull them apart in a continuously shifting mode of geopolitical and geo-economic interaction. An already observed outcome of these developments is a functional division of labor among external powers, with Russia retaining a predominant security role; China gaining the preeminent economic role; the EU positioning itself as an economic, democratization, and development partner; the United States leading a military role in Afghanistan while advancing north-south integration; and India pursuing its assumed role of interconnector of Central

and South Asia. These dynamics position China as the major force capable of projecting hegemony in Central Asia if other players sleep through another round of the unfolding "Great Game."

The sheer economic advance by China today makes the Central Asian states ponder security and geopolitical implications of Beijing's growing regional presence. Their mission and fate seem to be clear: they could either leverage China's rise to become more autonomous units or fall into Beijing's orbit and delay, if not lose entirely, their nascent evolution as sovereign subjects. But the reality is also clear; the prevalent talk and unfolding of the "Great Game," as well as the role of the big players in the region's future, demonstrate that the Central Asian states have not consolidated their sovereignties and are subject to pressures to conform to agendas of great powers, despite their relative success in balancing them off one another. There is a light at the end of the tunnel, however. Just as the external pressures are a source of alarm, they are also a source of opportunity if the regional states play the "Game" right; undertake major reforms, integrate from within, and position the region as a strong platform for players of all sizes.

Assuming China succeeded in exerting hegemony over Central Asia, what attributes would this hegemony have? How could the United States, its partners, and the Central Asian countries shape it while protecting their interests? If history and China's recent activities are any guide, China would be unlikely to pursue territorial control over the region, unless its expanded interests are threatened significantly. Instead, it would likely project an economic, political, and cultural influence through strategic bilateral relationships and multilateral institutional networks involving massive

infrastructure projects with significant Chinese capital, as well as cultural and demographic presence that would only grow with China's expanding economic footprint.

China would complement the practical aspects of this hegemony by drawing on the legacy of its tributary system of relations with "peripheral" territories, Confucian values propagated via already proliferating Confucian Institutes, and political ideas and practices favoring both open markets and state control. The more China imbeds itself economically and culturally in the region, the more likely it is to project a military presence in Central Asia. With time, the Confucian values of "harmony," "universal concord," "co-existence," and "co-prosperity" could replace Western narratives and practices of geopolitical control and domination and form a new logic of geopolitics with emphasis on cooperation.[9] Of course, China could still use its increased military strength to fuel a military expansion into parts of Central Asia that hold strategic value for its global or regional hegemonic position, including by establishing military bases.

What happens to China's social, economic, and political transformation in the long term and how it could affect its hegemony is a question of great importance. China's projected rise to the high-income status may spur democratization of its political system, generating beneficial effects on Central Asian regimes. On the other hand, China may demonstrate a sustained capacity to be simultaneously wealthy and authoritarian, impeding democratization of the regional countries.

If China's hegemony brought development and prosperity to Central Asia—and it could—historians would term it a benevolent one. If it brought subjuga-

tion and exploitation, it would be yet another episode of imperial expansion by a neighboring power. Either way, the Central Asian states must have a say in their future. The region's history and geography dictate that they can only have this voice by building diverse ties with as many powers as practical so as to prevent one power from dominating the region. The regional states will be prompted to turn to Russia, India, the EU, and the United States to deflect growing pressure from the "east" as they continue their, at times, unintended quest of connecting with each other and the world.

China's long-term economic expansion and hegemony are not a given. China faces significant social, environmental, and economic challenges, as well as agendas of other powers, that could derail or constrain its global rise.[10] Russia is trying to revitalize its regional influence; India seeks to establish a strategic presence; the EU tries to expand its regional economic role; and the United States continues to be a major regional military power given its presence in Afghanistan.

But these powers are not without their own challenges, and that has been good news for China. Russia's economic fundamentals are weak, making it look like a contracting empire but act like an expanding one; India is a latecomer to Central Asia, embroiled in domestic and South Asian politics holding it back from marching northward; the EU lacks the "teeth;" while the U.S. economic influence is insignificant and its regional military role is a big unknown after 2016. This allows China to advance its influence across all areas in Central Asia, as well as build and project its "comprehensive national power," while addressing its domestic and global challenges.

Washington has done much to open China and Central Asia to the outside world. But it now risks foregoing the benefits of Central Asia's rise as a transcontinental hub of energy, trade, and transit in Eurasia. Washington's withdrawal from the region and China's rise raise the question of how to shape Central Asia's evolution on terms favorable to Washington and the Central Asian countries and how to link the pursuit of this objective with the U.S. global agenda and grand strategy. If it wants to stay relevant globally and regionally, the United States has to pursue a robust, direct, and long-term strategy of engagement in Central Asia. This is not only because of the planned military withdrawal from Afghanistan, or the renewed push by Moscow for regional integration. Washington is facing an unfavorable future because of its declining global standing and reconfiguration of the global security and economic architecture caused by the rise of new power centers, especially China. Just as in the Asia-Pacific, it is the rise of China and its perceived efforts at domination in Central Asia that are challenging the U.S. global supremacy, requiring Washington to advance creative economic and military solutions in the heart of Eurasia. The United States should complement its "Pivot to the Pacific" with a sharp "Pivot to Eurasia" in order to effectively shape China's rise and the evolution of the global security order.

As it seeks to do so, Washington cannot premise its cooperation with other powers in Central Asia on the isolation of China—a global force calling for engagement where beneficial and containment where necessary. Washington should boost military engagement in the region, upgrade its NSRS, advance cooperation with key partners, and shape China's global

ascendance by leveraging its position in Central Asia. It should consider joining multilateral institutions involving the regional countries and China or seek the creation of new ones to shape China's regional activities. It should link its NSRS with China's "belt" strategy where it benefits the region's development while ensuring multidirectional contours of regional geoeconomic forces. It should also start pondering how to leverage its potential strategic relationship with Iran, which links the Middle East with Central and South Asia and shares growing economic ties with China. Finally, it should develop platforms of cooperation with China in economic and security spheres pertaining to both global and regional affairs.

As it calibrates its policies as part of the proposed "Pivot to Eurasia," the United States should cooperate with all players of the "Game." Most importantly, it has to cultivate "weighty" relations with the Central Asian countries themselves. It should develop a practical NSRS to position Afghanistan and Central Asia as an Eurasian trade and transit hub, leaning on and contributing to similar initiatives of other powers, including China, as long as doing so helps ensure that no single power emerges to dominate Central Asia politically and militarily. This revitalized strategy would not merely rely on existing and future economic forces driven by its potential challengers, but would assume a direct role for Washington in various projects on national, regional, and cross-regional levels. The United States would do well to reconfigure the Northern Distribution Network running supplies in and, increasingly, out of Afghanistan, into a more self-sustaining trade channel linking Central and South Asia following the full withdrawal of coalition forces from Afghanistan. Staying in the region in a capacity of a significant

and active economic player would add credibility to U.S. commitment to regional and global stability. In the age of growing multipolarity, this commitment should rest on having an integrated Central and South Asia serving as a robust transcontinental node and on ensuing a managed rise of China and India, including in areas bordering these rapidly expanding powers.

None of these tasks are easy to accomplish. But if there were any major failure that could characterize U.S. current or future regional policy on China, it would be Washington's lost opportunity to connect the dots by zooming in on the region destined to serve as a nexus of the U.S. global policy toward traditional and emerging powers alike. If it sees that interest clearly, its commitment to achieving it will follow. This work sheds light on the crucial forces at work, assesses the possibility and implications of China's hegemony in Central Asia, and highlights the need for Washington to play real politics at the table rather than from across the high seas.

CHAPTER I

CHINA'S CURRENT AND PROJECTED REGIONAL PRESENCE

> It is China's intention to be the greatest power in the world.
>
> Lee Kuan Yew.[11]

China's Needs, Interests, Goals, and Capabilities.

In his *Foreign Affairs* article, advisor to Chinese leadership Zheng Bijian articulated the concept of China's "peaceful rise" (later changed to "peaceful development" to avoid a negative association with the word "rise"). According to the concept, China seeks to achieve for itself the status of a great power without wars that have traditionally marked the rise to power of other states and by promoting "incremental reforms" and the "democratization of international relations."[12] This overarching framework has guided China's increasingly active foreign policy in Central Asia, which has largely rested on a deferential treatment of the region's perceived security guarantor—Russia. This treatment for the most part concerns Moscow's regional security role given China's needs to retain Russia as a strategic partner on numerous global issues.

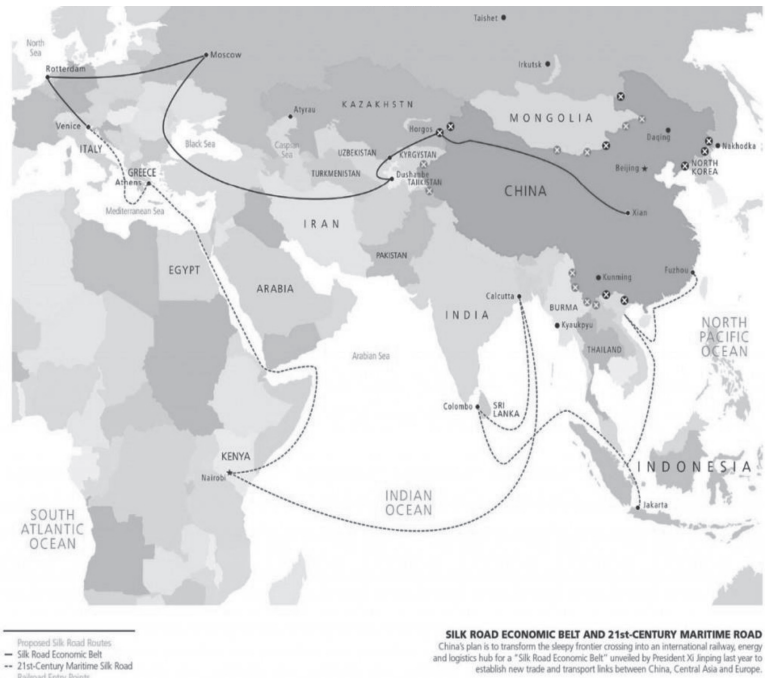
However, China has no reservations about outperforming Russia economically and has already started assuming a more confident security role in the region as it seeks to address the threats of "three evils" (terrorism, extremism, and separatism), prepare Beijing for a post-2016 Afghanistan, exploit Central Asia's vast energy resources and transit potential, and position itself favorably vis-a-via other powers in Eurasia.

China is especially concerned that a premature exit of coalition forces from Afghanistan without a durable solution to the conflict would lead to increased threat of regional and domestic terrorism and separatism. Beijing views the possibility of Uygur militants infiltrating restive Xingjian with a particular alarm and has therefore stepped up its counterterrorism and military collaboration with SCO partners in Central Asia.

To achieve the aforementioned objectives, Beijing, in part, relies on the "belt" strategy to develop and link trade, energy, and transit networks across Eurasia with those in China, as it implements its West Development Strategy designed to develop Xingjian, Tibet, and Mongolia, among other provinces. In 2013, China's President Xi Jinping signed U.S.$50 billion in deals with Central Asian counterparts as he unveiled the "belt" strategy to advance economic integration across Eurasia from the Pacific to the Baltic Sea. The choice of "belt" over "road" presumably suggests Beijing's attempts to showcase its "win-win" approach and desire to "widen the common ground" with participating countries.[13] Months later, Xi announced China's Maritime Silk Road strategy to complement the country's geo-economic push throughout continental Eurasia. Beijing aims to link the "belt" and maritime "silk roads" via a planned China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor. A third "silk road" initiative that China is pursuing involves the building of a commercial network through the Arctic.[14]

Notably, China has called for improving currency convertibility as part of its economic expansion and already entered currency swap arrangements with numerous countries as part of its "silk road" initiatives, including Russia, Kazakhstan, and Uzbekistan in Central Eurasia and South Korea and Japan in East Asia,

in order to promote internalization of its currency.[15] The focus on currency convertibility is a countermove to Russia's own integration initiatives in Eurasia in response to China's growing economic influence, as well as a response to the U.S. dollar-based global trade system. According to SWIFT's report, China's currency, the RMB, was ranked as the 5th most-traded in the world in 2014, positioning Beijing well in "the contest for the title of global reserve currency" in the next few decades.[16] China is also leveraging its world's largest foreign currency reserves to pursue "going out" (or "going global") policy, investing in strategic industries globally. It is estimated to invest between U.S.$1-2 trillion overseas by 2020, with Central Asia being its destination for natural resources and energy investments.[17]



Map 1. Proposed China's Land- and Sea-based Silk Roads.[18]

China seeks to link the "belt" with its other previously announced initiatives that rest on development of transit and trade infrastructure both within and outside China. One such mega initiative is to build a high-speed railway network to facilitate economic flows across Asia and Europe via Central Asia, linking 17 countries and comprising three major routes connecting Kunming in China with Singapore through South Asia, Urumqi and Germany via Central Asia, and Heilongjiang with Southeastern Europe through Russia. China's Pan-Asian railway plan is yet another major project that seeks to link 28 states with 81,000 kilometers of railroads.

Currently, China provides Central Asian countries with access to East Asia through 11 trade ports, the second Trans-Eurasia railway, and the Uzbekistan-Kyrgyzstan-Xinjiang highway. It also helped finance the north-south corridor linking China, Tajikistan, Kyrgyzstan, and Kazakhstan, and is building a rail line via Kyrgyzstan, Tajikistan, and Afghanistan, which will form the Trans-Asia railway network. China further helped construct the north-south road and the port at Gwadar in Pakistan, facilitating linkages with Afghanistan, the Arabian Sea, Central Asia, and Southeast Asia. In 2013, China agreed to build a railroad from China to Kyrgyzstan and Uzbekistan, planning to extend links to China, Turkey, and Iran. "It is not important for China as to who will be building this railway line. The most important thing is that it is built," Chinese Ambassador to Kyrgyzstan Wang Kaiwen remarked on the U.S.$2 billion project.[19] Beijing has also been actively building roads and highways in the region, supporting the Western Europe-Western China International Transit Corridor to improve main roads linking China and Europe. Notably, Russia

announced that it would not build its portion of the line until 2020.[20]

China's involvement in the region's transit infrastructure goes hand in hand with its successful efforts to invest in the region's vast energy markets and to develop energy export routes as alternatives to sea-based corridors that navies of major powers control or could challenge. Together, these efforts facilitate China's trade in energy resources, commodities, and goods across Eurasia, feeding the country's development and global economic reach. It also reduces China's dependence on the Indian Ocean and the Strait of Malacca (which the U.S. and Indian navies patrol) for energy imports and undercuts the perceived U.S. policy of "strategic exclusion" of China. In 2011, 77 percent of China's oil imports passed through the Strait of Malacca.[21] By 2025, the country's dependence on oil imports is projected to reach 68.8 percent. China is not a member of either energy consuming or energy exporting group of countries, which accentuates the challenge of accessing material resources and hinders its otherwise faster rise.[22] As Ye Hailin with the Chinese Academy of Social Sciences put it:

> A big country that builds its prosperity on foreign trade cannot put the safety of its ocean fleet in the hands of other countries. Doing so would be the equivalent of putting its throat under another's dagger and marking its blood vessels in red ink.[23]

Besides being number one or two importer of oil and mineral resources, China is the number one exporter across a wide variety of goods and depends heavily on sea-borne trade. In 2011, 60 percent of China's trade was sea-borne. Furthermore, its investments grew from U.S.$33.2 billion in 2003 to U.S.$531.8

billion in 2012. Meanwhile, the number of its citizens working overseas skyrocketed from 3.5 million in 2005 to 5.5 million in 2014. These trends call for sufficient military capabilities to not only address but also prevent threats and attacks on these vital flows.[24]

In Central Asia, ensuring access to the region's resources and their safe passage is arguably one of the major aspects of China's regional strategy,[25] though its push for the economic "belt" in the region reveals a rapidly growing need to facilitate exports of China's goods to Europe and the Middle East, as well. The share of the region's gas climbed to 65 percent of China's gas imports, constituting 17.6 percent of China's gas consumption in 2012. China also imports almost all of its uranium from the region.[26] Building infrastructure in Central Asia further allows China to expand the use of its Xinjiang-Shanghai gas pipeline linking China's west and east.[27] Potential participation of Japan and South Korea in this and other projects could foster a dynamic connection between Central and East Asia, with China turning into the central node of Eurasia's expanding trade, energy, and transit links[28]—a role it has been successfully assuming in East Asia and the Pacific over the last 3 decades. China's activities in Central Asia are designed to advance simultaneously China's internal development and promote its westward expansion as an aspiring global power.[29]

China's economic reach in Central Asia is especially pronounced in Kazakhstan, where its China National Petroleum Corporation (CNPC) acquired energy firms Petrokazkahstan for U.S.$4.18 billion and half of MangistauMunaiGas for U.S.$2.6 billion. It also bought an 8.33 percent share of Kashagan oil field, the largest discovered field in the last 3 decades, solidifying its presence in the country's energy market. China

provided U.S.$10 billion in loans to Kazakhstan in 2009 during the global financial crisis and, along with Kazakhstan, launched the Beineu-Bozoi pipeline in 2014 to deliver up to 14 million tons of Kazakh oil to China annually. As a Kazakh official explained, "The Chinese have told us quietly but clearly that their energy demands are massive and urgent—and that they are willing to pay a steep price to address them."[30]

In Turkmenistan, China loaned about U.S.$4 billion for developing South Yolotan fields and provided U.S.$6.7 billion for the construction of the Turkmenistan-China gas pipeline with an annual capacity of 40 billion cubic meters that runs via Kazakhstan and Uzbekistan. Beijing and Ashgabat now plan to build a new pipeline to supply gas to China via Uzbekistan and Kyrgyzstan. In Uzbekistan, China invests heavily in the transport market and has become the country's second-largest trade partner. In Kyrgyzstan, China is actively involved in trade facilitation and oil-processing business.[31] In Afghanistan, China is focused on developing transit and trade infrastructure and has become the country's largest investor. It won rights to develop the world's second-largest undeveloped copper reserves located in Afghanistan at Aynak—a project worth U.S.$4.4 billion.[32] Beijing also supported the establishment of the SCO-Afghanistan Contact Group to promote regional security[33] and supported the SCO's decision to give Afghanistan observer status.[34]

China's economic and military footprint is bound to increase in the world and broader Central Asia. This is not only because of internal conditions calling for development of China's western zones as opposed to saturated markets in advanced coastal areas—itself an imperative. It is also because China needs a "window"

to the "West" (yes, this time, China, not Russia; and the "West" for China is now Europe and the Middle East) to mitigate its concerns about the U.S. "pivot" on its eastern flanks and to expand trade across Eurasia on its western flanks. China cannot afford to lose to other great powers in Central Asia, not when internal social expectations demand even more economic miracles from the country that is experiencing growing labor costs and a shift from one economic development model to another. Other powers try to "reintegrate," "reconnect," or "pivot," but it is China that observes quietly and pushes on actively around Eurasia.

China's growing global economic footprint and increasingly common occurrences of protests, lootings, killings, and kidnappings that target Chinese nationals and interests have prompted debates in China on the issue of military development and expansion to protect its economic interests.[35] In a long-expected move, given its growing security and economic stake in Central Asia and Afghanistan, in 2014 China agreed to provide U.S.$6.5 million in military assistance to Kyrgyzstan and "hundreds of millions of dollars" to Tajikistan for police uniforms and training.[36] In early-2015, China delivered anti-missile defense systems HQ-9 to Uzbekistan and Turkmenistan, which became the first-ever recipients of China's own-produced anti-missile defense systems.[37] Previously, it provided training, military uniforms, and communications equipment to Kabul, Dushanbe, and Bishkek. It also increased the number of military exercises with participation of Central Asian states and its military aid to the countries' security sectors.[38] The SCO held a total of 13 separate military exercises in each member state, with the number of personnel ranging from 800 to 10,000.[39]

While reflecting a need to boost military capabilities of Central Asian states given the security situation in Afghanistan, this move also signals the beginning of a shift in the regional politico-military balances. While Uzbekistan and Turkmenistan are not members of the Moscow-led Collective Security Treaty Organization (CSTO), both have traditionally relied on Moscow-supplied weapons systems. But China's growing military aid and sales and economic footprint increasingly sideline Russia and the United States in Central and East Asia, respectively.

China increasingly views stability in broader Central Asia and Xingjian as key to its emergence as a global power, prompting to consider the need for a long-term military presence in the region to mirror its relatively more advanced military profile in the east where it faces an "unruly" Taiwan and menacing U.S. fleet. These areas, poorly developed as they are, currently serve as barriers to China's expanded development and security from within. Only by consolidating itself internally by ensuring a more even economic development between coastal and continental zones can China actually mitigate concerns about social implosion and marshal far more advanced internal resources for the pursuit of geo-strategic objectives of truly global proportions. This is an imperative familiar to China's sages and strategists obsessed with questions of unity and prosperity throughout China's long history as the world's only continuous civilization to date. So far, China's military advances in Central Asia have remained limited, even if steadily growing, including on both bilateral and multilateral levels in the form of cooperation within the SCO.

The SCO serves as China's vehicle for promoting its security role in broader Central Asia. The SCO

members collaborate against the "three evils" and seek to ensure regional stability, given volatile security situations in Afghanistan, Pakistan, and Xingjian. On occasion, China has used the platform afforded by the SCO to challenge, along with Russia and the regional states, the U.S. regional military presence. In 2005, the SCO called for eviction of U.S. military bases from Central Asia. The SCO is also a new concept and model of security cooperation with which China is experimenting,[40] while trying to deflect negative perceptions about its growing military capabilities. The membership of Russia in the organization supports this conclusion, though it also helps the regional countries and Moscow to shape China's evolution as an economic giant and a nascent military force in the wider region. A Kazakh diplomat pointedly portrayed the relationship of Russia and China with the SCO as a "dance of a mongoose and cobra."[41] But, unlike its economic engagement, China's military collaboration with and role in the region has been less aggressive. China has publicly acknowledged Russia's predominant security and military role, while slowly building up its regional military profile. At this stage, it is still China's geo-economics that primarily define Beijing's rise in Central Asia and the world.

China's Geo-Economics vs Russia's Geopolitics.

China and Russia are both dissatisfied with the global status quo and seek to adjust the U.S.-led international order. This is a strategic objective that binds the two states as they work, separately and in concert, to undermine the already weakening U.S. global influence. Both cooperate closely in the United Nations (UN) Security Council, oppose interventionism (in

rhetoric anyway), and support state sovereignty while sharing aversion of and working against U.S. alleged efforts to project hegemony worldwide. Both are also concerned about prospects of "color revolutions" that either occurred or are yet to sweep throughout Eastern Europe, South Caucasus, and Central Asia. Both have boosted their economic ties in the last decade, planning to increase bilateral trade to U.S.$200 billion by 2020. Chinese expert Feng Yujun has described Russia as the most important country for China's diplomacy: both are "neighboring countries, major powers, and developing countries" which look to expand their "multilateral relations" to dilute U.S. global influence.[42]

Be it as it may, Moscow and Beijing also have major differences, which will surface more clearly as China expands its capabilities and role in the world and in Russia's "zone of privileged interests." As a Chinese official responsible for Central Asia policy remarked on Russia's treatment of the region as a backyard, "we understand. But you are supposed, after all, to look after your own yard, water the flowers."[43] This Russia has failed to do. Beijing and Moscow are yet to become more open adversaries and strategic competitors in what could be a repeat of tensions that existed during the Cold War. As Chinese scholar Bobo Lo stated:

> The Russia-China relationship is neither an authoritarian alliance nor a genuine strategic partnership. It is a limited partnership sustained by the perception of mutual is asymmetric gains, and the wisdom to underplay significant differences where they occur. . . . The question is how long this accommodation can last . . . . The time will come when the differences between Russia and China cannot be so easily fudged.[44]

The base of power and foreign policy approaches of China and Russia differ in substance and emphasis. Both rely on geo-economics and geopolitics as tools of trade, but Beijing's approach to national development and foreign affairs has predominantly favored geo-economics as a tool of statecraft. Russia, on the other hand, has focused more on geopolitics to advance its national interests. In a way, this division of labor is mutually reinforcing as it undercuts the perceived U.S. global preeminence using both economic and geopolitical means. But this division has also impacted the development and strategic potential of the two great powers differently.

China's reliance on geo-economics as a tool of statecraft has achieved far more influence in the conditions of the 21st century than Russia's persistent grip on geopolitics, both globally and in Central Asia. President Barack Obama had a point when he described Russia's President Vladimir Putin as being stuck in the 19th century. The communist China understood in the 1970s that "opening up" would allow it to modernize and compete globally. It would also enable China to amass power to deflect encroachments that had previously humiliated China. As Xiaoping once said, "It does not matter if it is a black cat or a white cat; if it catches mice, it is a good cat."[45]

Beijing has been effectively and consistently expanding its economic development and influence globally ever since, becoming the world's second-largest economy and biggest global trading nation. China views its sought-after great power status as a way to redress past injustices and reclaim its lost leadership position in the global powers hierarchy. As Henry Kissinger wrote:

> China does not see itself as a rising, but a returning power. . . . It does not view the prospect of a strong China exercising influence in economic, cultural, political, and military affairs as an unnatural challenge to world order—but rather as a return to a normal state of affairs.[46]

To achieve this task, China has adhered to policy advice of Deng Xiaoping and subsequent leaders, highlighting the need for China to "bide its time, hide its brightness, not seek leadership, but do some things." Put differently, China should avoid costly geopolitical entanglements and focus on sustaining its development drive at home. (While Xiaoping did state that China ". . . will become a big political power if we keep a low profile . . .," no evidence reportedly exists indicating that he used the "bide its time . . ." phrase.[47]) As it has enmeshed itself in global trade, China's economic drive at home has been predicated on its economic expansion abroad. Starting with the collapse of the Soviet Union and, especially since 2000s, this expansion has increasingly affected Central Asia. China has been marching west in search of new markets, resources, investment opportunities and, above all, ways of reclaiming its position as the central power.

China's push westward through Moscow's "backyard" has unnerved Russia. Kremlin is now preoccupied with warding off the U.S. military projection and Chinese economic expansion in Central Asia. It is concerned not just because of the complexity of the tasks at hand. Russia also lacks instruments at its disposal and suffers from a shrinking economic power base. It has seen its post-Soviet influence erode significantly due to its imperial foreign policy and authoritarian domestic politics. In the 1990s, Russia experimented with liberalization but failed to consolidate demo-

cratic gains and project power effectively at home or abroad. In the late-1900s and early-2000s, Russia accumulated substantially more wealth and power under Putin's leadership. But the sources and fundamentals of that power continue to rest on petro-revenues and a skewed economic model favoring energy exports. Instead of fixing economics and politics at home, Russia resorted to using "hard power" abroad to settle scores in the 2008 Russian-Georgian war and has relied on geopolitics in the ongoing conflict in Ukraine after Kyiv refused to join the EU. Western sanctions on Moscow in response to its seizure of Crimea and involvement in the Ukrainian conflict and a roughly 60 percent decline in oil prices since June 2014 have significantly weakened Russia's economy, causing a substantial outflow of capital, depreciation of ruble, and spike in inflation, undercutting its accumulated wealth and power base.

Meanwhile, Russia's continued reliance on geo-economics to expand its influence and its preoccupation with geopolitics have undermined its regional geo-economic initiatives. Moscow spearheaded the creation of the EU, which came into force in 2015 and comprises Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan. But it has failed to secure participation of other post-Soviet states. A decision of Ukraine's leadership in 2014 to pursue a free trade association agreement with the European Union rather than join the EU prompted Moscow to rely on geopolitics to advance its interests in Ukraine after anti-government protests in Kyiv forced the pro-Russian Ukrainian President Viktor Yanukovich to flee. Russia dismembered Ukraine by seizing Crimea and has supported pro-Russian rebels in the east of Ukraine—the actions in part motivated by the perceived expansion of the West and the North Atlantic Treaty Organization

(NATO) to Russia's borders, both militarily and economically. Given its weak economic base, Russia was unable to use "soft power" and resorted to the use of "hard power" to impose its will on neighbors. The post-Soviet states have not approved Russia's actions in Ukraine (despite symbolic statements of support by a select few under the shadow of Russia's strong influence), weakening the appeal of Russia's security and economic initiatives, including the EU. While Yerevan and Bishkek decided to join the union, they still have strong apprehensions about Russia's intentions, which the former U.S. Secretary of State Hillary Clinton portrayed "as a move to re-Sovietize the region."[48]

Like any other major economic project led by a great power, the EU initiative has a geopolitical subtext—it enables Russia to expand its influence and guard against Western and China's encroachments in the post-Soviet space. The union's mission to facilitate free movement of labor, capital, and technologies conflicts with China's plans to expand trade westward, allowing Moscow to constrain China's advances and explaining its caution in approaching Beijing's proposal on cooperation between the union and the "belt" initiatives.[49] Whether out of despair or hope, China and Russia issued a statement in 2014 about China's "belt" project:

> Russia believes that China's initiative to form a Silk Road Economic Belt is very important and highly values the willingness of the Chinese side to keep Russian interests in mind during its development and implementation.[50]

Unless Beijing implements its proposed free trade zone with the union, which Central Asian states could resist,[51] its "belt" project could falter.

For now, economic trends and statistics demonstrate that China, the gross domestic product (GDP) of which was five times the size of Russia's in 2010, is winning big vis-à-vis Russia in Central Asia. It has already become the top trading and investment partner for the region, its trade with Central Asia in 2011 amounting to U.S.$39 billion compared to Russia's at U.S.$16.5 billion and its foreign direct investment (FDI) hitting U.S.$2.9 billion in 2010 compared to Russia's U.S.$3.17 billion. In 2012, China's trade with the region reached U.S.$46 billion, 100 times the amount it was in 1992. Beijing's energy trade and investments particularly have challenged Russia's positions in these areas. Russia now seeks to purchase gas and oil distributions networks to at least control energy resource deliveries, if not to secure regional oil and gas fields. In 2015, Russia's Gazprom announced a substantial reduction of gas purchases from Turkmenistan and Uzbekistan, planning to buy four billion cubic meters (cbm) of gas from the former and up to one billion cbm from the latter, as opposed to previously planned 10 billion and four billion cbm, respectively. Beginning in 2009, Russia has been reducing purchases of regional gas, just as China has been buying up and investing throughout the region to secure the production and transit of regional gas to fuel its growing appetite for energy resources. The same year, China, Turkmenistan, Uzbekistan, and Kazakhstan opened the first-ever regional gas pipeline with Beijing's involvement since the collapse of the Soviet Union, breaking Russia's long-held monopoly on energy resources and deliveries. China and Kazakhstan now plan to open a second oil pipeline.

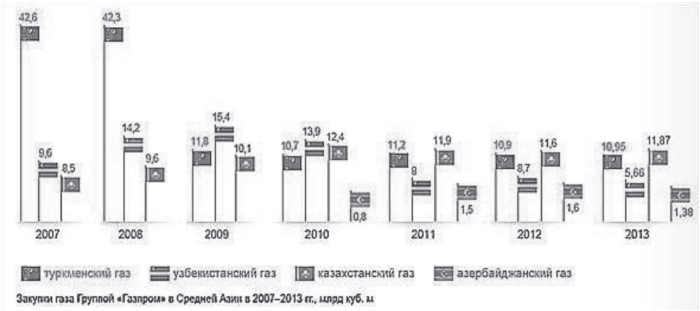


Figure 1. Gazprom Purchases of Central Asian Gas from 2007-2013.[52]

Just as Russia has been leveraging geo-economics to advance its interests in the post-Soviet space, China has, too, relied on geopolitical instruments to pursue its regional agenda. While Beijing lags behind Russia in promoting its military influence in Central Asia, it has recently been stepping up its geopolitical involvement by leaning on the SCO framework and bilateral ties to expand counterterrorism and military collaboration to boost regional security. This is in part due to the uncertainty surrounding the outcome of the war in Afghanistan and China's growing economic stake in Central and South Asia, where it pursues its "belt" strategy and economic corridors through Myanmar, Nepal, and Pakistan. China's sale of its own new generation medium-to-long range HQ-9 air defense systems and its percussion unmanned aerial vehicles Yilong-1 to Uzbekistan and Turkmenistan in return for reduced gas prices (official reason reported in media) based on agreements made in 2013[53] demonstrates its growing military influence in Central Asia, especially considering the sophistication of the systems and their interoperability issues with the predominantly Russia-made and supplied weapons systems. It has also been training—alongside the United States as a third party

in another country for the first time—Afghan forces ahead of the withdrawal of coalition troops.[54] The upshot: for the first time in the last 2 centuries Moscow is constrained to leverage its position in Central Asia to expand its influence vis-à-vis China or pressure Beijing as part of the new "Great Game."[55]

Unlike Russia, however, China has not secured military bases in the region. In part, this has to do with Russia's overwhelming regional military role; the lack of a substantial economic stake by China in the region; and nascent formation of China's geopolitical interests and perceptions driving decisions on the deployment and use of military force. Moreover, the Chinese military has not yet developed effective logistics and combat capabilities for military deployment and basing. In Central Asia, China's regional geopolitical role will therefore remain limited in the intermediate term. China's involvement in the SCO is there to help, but the SCO faces a number of challenges constraining the geopolitical and geo-economic reach of its members. It enables China to balance against the United States and Russia, as well as do the same for Russia vis-à-vis China and the United States. It also helps it advance economic development, political stability, and security in the region. But the SCO lacks the spirit of multilateralism, with China and Russia preferring bilateral deals with the regional states to bypass each other's opposing responses.

The membership of Central Asian states in the SCO indicates the "primary constraint of strategic regionalism," manifesting itself in the desire of these countries to restrain their more powerful partners and promote most favorable outcomes given external pressures. Internal incoherencies and antagonisms within the SCO thus make it more of a crippled economic and

political player rather than a geopolitical heavyweight opposing the United States or NATO. As Ivan Safranchuk, editor-in-chief of the *Bolshaya Igra* (*The Great Game*) magazine put it: "SCO does not intend to oppose the US globally or regionally, so that it operates not against America, but without it."[56] That said, some view the SCO as a type of "comprehensive security" organization that is a China alternative to U.S.-promoted "collective security" alliance structures.[57] This is not to dismiss the appeal of the organization among a number of countries that have expressed desire to become members or have already attained some form of association with the organization. Some even propose that the United States consider becoming a member of the SCO in order to shape China's and Russia's policies in the broader region.[58] But this is unlikely to happen any time soon, if at all, given "cool responses" to such ideas thus far.[59]

China's West-East "Pull" vs India's South-North "Push."

China's growing presence in Central Asia also worries India—a superpower in the making concerned about Beijing's global and regional expansion and one of the few states capable of challenging China's preeminence in the decades ahead.[60] Unlike Russia, which has been projecting its influence in and out of Central Asia for a century and a half, India is a late comer to the region's 21st century "Great Game." Unlike China, it is starting its ascendance from a lower base and at a lower rate, explaining its policy failures and Beijing's policy successes around the world, including in Central Asia. Despite exhibiting a potentially equal or relatively larger economic and military

base than China by 2050, today India is a cumbersome actor constrained by democratic yet highly bureaucratic politics at home and unstable security dynamics in Pakistan and Afghanistan. It does not share a border with Central Asia. Nor has it managed since the collapse of the Soviet Union to improve substantially its trade links with the region due to tensions with Pakistan and lingering instability in Afghanistan.[61] Delhi views its presence in Central Asia as critical for ascendance to the ranks of great powers, but it cannot accomplish this task without resolving the security challenges limiting its ambitions. India will therefore remain largely confined to South Asia and the Indian Ocean in the intermediate term.

This is not to discount India's plans to gain deeper foothold in Central Asia. In 2012, it launched the "Connect Central Asia" policy to link South and Central Asia via energy, trade, and transit corridors in what conceptually resembles the U.S. NSRS, designed to develop and position Afghanistan as a hub of Central and South Asian integration. While a latecomer in the region, India is not unwelcome among Central Asian countries that are eager to diversify their ties and secure access to the Indian sub-continent and Indian Ocean. According to Shri Ahamed, Indian Minister of State for External Affairs, the "connect" policy "is based on pro-active political, economic and people-to-people engagement with Central-South Asian countries, both individually and collectively." As part of the policy, India plans to set 14 flight links with the Central Asian states, develop local information technology, energy, banking, and pharmaceutical industries, and to build energy infrastructure and e-networks linking Central and South Asia.[62] India's intent to build the North-South Transit Corridor via Uzbekistan is crucial in this regard.

In Kazakhstan, Indian firms are actively involved in coal, oil, and uranium industries. As of 2014, India imported more than 3,500 tons of uranium from Kazakhstan since 2009. In Tajikistan, Indian companies are involved in a hydropower project, a reflection of importance India attaches to the region's hydro-energy capacity for the CASA-1000 initiative bringing electricity from Central to South Asia. In Kyrgyzstan and Tajikistan, Delhi plans to open an Indian-Central Asia University and a military hospital, respectively.

In Uzbekistan, its companies are present in the pharmaceuticals, information technology, construction, energy, and mining sectors. As the world's sixth largest energy consumer, it is also a major party to the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project, seeking an active role in the development of the region's energy reserves to reduce its dependence on energy imports from the Middle East and meet its long-term economic growth projections. Delhi has recently expressed interest in building a gas pipeline from southern Kazakhstan to India, as well. However, instability in Pakistan and Afghanistan and the standoff between Iran and the West have impeded India's efforts to import energy resources from Central Asia and Iran (via proposed Iran-Pakistan-India gas pipeline).[63]

India's economy, projected to overtake that of China's around 2050, requires access to vast energy resources of Central Asia, where China's energy presence is more pronounced. In 2013, India failed to secure an 8.4 percent stake in Kashagan oil field, which Kazakhstan gave to China for the same amount of U.S.$5 billion. The deal was one of about 20 agreements between China and Kazakhstan worth U.S.$30 billion. Beijing also outperformed Delhi in securing rights to

develop the Galkynysh gas field in Turkmenistan and launching a pipeline in 2009 to supply Turkmen gas to China. India does have its hopes pinned on the long over-due construction of TAPI, which would boost its presence in the region's energy market. But parties to the project have thus far failed to kickstart the project for financial and security reasons. The implementation of TAPI would not only serve as a milestone of India's "connect" policy, but would also facilitate improvement in the Pakistani-Indian relations, as well as advance stabilization, development, and integration of Afghanistan with the broader region, enabling India to project a much more meaningful geopolitical presence in Central Asia. It would also challenge EU's interests in accessing the Caspian energy resources, undermine Russia's remaining control over the regional energy exports, and help the Central Asian states diversify their ties in order to balance China.

But to gain unimpeded access to Central Asia, India has to ensure the development and integration of Afghanistan into the broader region—a critical component of India's "connect" policy. Delhi plans to invest U.S.$100 million to develop the Iranian port at Chabahar and connect it to Afghanistan and on to India via railways and roads. It has already spent at least U.S.$136 million to connect the port with the "Ring Road" in Afghanistan, the deposits of which are estimated to range from U.S.$1-3 trillion. India has invested U.S.$2 billion in Afghanistan's infrastructure over the last decade and sought to develop the country's Hajigak and other deposits. The port would enable Delhi to access Central Asian markets without relying on Pakistan and position it favorably vis-à-vis China, which helped build a rival Pakistani port at Gwadar linking China and the Persian Gulf. The Chabahar

port is but one link in the India's North-South Transit Corridor connecting Indian-built Zaranj-Delaram highway in Afghanistan and providing an outlet for India's goods to Central Asia. In case of entente between Iran and the West, the corridor would facilitate India's trade with the region, expanding a north-south vector of the transcontinental trade.[64] Besides its funding for roads, railways, medical facilities, power networks, and other socio-economic infrastructure, India helped Afghanistan become a member of the South Asian Association for Regional Cooperation to facilitate the country's development and integration with the region.

India's involvement in Afghanistan and Central Asia is not confined to economic development priorities alone. India views Central Asia as a geopolitical prize in the contest for global primacy, perceiving China's maritime and continental expansion as a double-threat to its plans to emerge as a global power. Just as China views the U.S. "Pivot to the Pacific" and military presence in Central Asia as containing China's rise along its perimeter, so does Delhi consider China's engagement with India's neighbors as a stratagem to contain India. Beijing has been effectively building strategic ties with countries surrounding India, boosting cooperation with Nepal, Bhutan, Bangladesh, and Myanmar to India's northeast; Sri-Lanka, Thailand, and Malaysia to India's southeast; Pakistan and Afghanistan to India's northwest; and Central Asian states to India's northwest. The 1962 border war with China and unresolved political tensions with Beijing have also driven this perception, making the emergence of a friendly "Chindia" capable of jointly reshaping the global system to suit the needs of the two giants a far-fetched scenario.[65]

To undermine China's attempts to do so in Central Asia and achieve its other objectives, Delhi has cooperated with the regional states and Afghanistan against Taliban in the 1990s and after the events of September 11, 2001 (9/11). It has developed a strong relationship with Uzbekistan as its major arms supplier, opened a mountain biomedical research center in Kyrgyzstan, sought rights to the use of the Ayni airbase in Tajikistan, assisted with training of the Kazakh Caspian Fleet, and has plans to participate for the first time in counterterrorism exercises with Kyrgyz special forces in Kyrgyzstan.[66] However, India's poor relationship with Pakistan—China's ally in South Asia—and the volatile security situation in Afghanistan have prevented it from assuming an even more active military and security role in greater Central Asia, forcing it to apply more effort compared to China.

Despite their somewhat tense relations, India and China have been notably improving their ties over the last 3 decades, with an increase in bilateral trade being a vivid demonstration of this development that may yet translate into more friendly relations. As Chinese Premier Wen Jibao remarked, India and China had conflicts only briefly in the 2,000-year history of exchanges, and the bilateral relations have been 99.9 percent friendly.[67] But the geography and projected geopolitical dynamics currently position the two powers as rivals, forcing India to rethink its long-standing grand strategy of pursuing a strictly autonomous role in world affairs.

India's positioning as an autonomous actor and unwillingness to be a perceived U.S. "pawn"[68] has in part contributed to its limited role and presence in Central Asia. India's trade with the region was just U.S.$500 million in 2012, compared to China's at U.S.$29 bil-

lion. In 2010, trade between Russia and Central Asia was € (euros) 7 billion, making Moscow the third largest trade partner after China and the EU. India gained an SCO observer status to enhance its regional influence, but it sees few prospects for productive interaction within the group. It perceives China as seeking to block its membership and prevent it from attempting an active engagement in Central-South Asia. India's relative failure in projecting comparable influence in Central and South-East Asia, as well as concerns about China's policy of containment, have prompted Delhi to start reconsidering its obsession with the nonalignment positioning in international affairs and enhancing strategic cooperation with the United States. In 2015, Delhi and Washington concluded an additional deal on nuclear energy and are perceived as working together to keep China's global rise in check.

India's relatively limited global and regional roles also have to do with the fact that India is the last major Asian economy to join the Asian economic renaissance. Its latecomer status in part resulted from a skewed view of the leadership that considered the success of others "as largely irrelevant to its own future" and favored the "continuation of existing policies."[69] India, in the 1990s and 2000s, started advancing economic reforms with a view to unleash private forces to attain a more efficient economic development, but it did so a couple of decades after China, not to say anything about other South-East Asian countries. It did so in an external environment that saw the collapse of the Soviet Union, ever-expanding U.S.-led global economic integration, and the risk of "increasing marginalization" if it failed to reform. As one commentator put it, "We felt as though our second independence had arrived: we were going to be free from a rapacious and

domineering state." By the end of the 20th century, India had become one of the fastest growing economies, providing it with a platform to start projecting influence in post-Soviet Central Asia.[70] Still, India's more democratic system and favorable labor dynamics present it with a number of long-term advantages over China that could become obvious by 2050 or earlier.[71]

On balance, India's south-north "push" will continue to be less pronounced than China's west-east geo-economic "pull." India is in a tough rivalry with old and new players. However, Delhi has committed itself to enhancing the development and stability of Afghanistan and reconnection of Central and South Asia, undertaking major initiatives to achieve these objectives. The resolution of the security and economic challenges centered on Afghanistan and Pakistan would lead to a more active and influential regional role by India in the future. China's interest in developing links between the Middle East and Central-South Asia and growing economic cooperation with India would, too, facilitate India's regional policy if Delhi plays the Pakistan card right. To make its "push" deeper, India needs to enhance strategic cooperation with the United States and other actors in Central Asia, while better exploiting its long-term advantages over China.

China's Expansion vs U.S. Containment?

China's expansion into Central Asia puts a question mark on the U.S. status as a superpower and protector of the global order. Ironically, U.S. efforts to promote globalization and global order have facilitated China's global rise ever since the signing of a Shanghai Communique in 1972, which facilitated

China's external integration and improved ties with Washington. Beijing has tapped into globalization ever since, leveraging its reforms to achieve for itself the status of the world's second largest economy and biggest trading nation today. If no profound shifts in its socio-economic conditions put it off track, China is poised to overtake the United States as the world's largest economy in the next few years in terms of total GDP. By around 2050, it may well overtake the United States as the world's largest economy in terms of GDP per capita.

China's economic expansion has given it a sense of pride and opportunity to redress the "humiliation" it had suffered at the hands of Japan and Western powers in the previous 2 centuries. While it largely continues to "bide its time and capabilities" and pursue "peaceful development," in recent years Beijing has occasionally displayed an assertive stance toward neighbors, as frictions have intensified with Japan, Vietnam, and the Philippines over contested ownership of islands in the South and East China Seas. Such posturing, while tempered down time and again, has evoked fears of China's economic drive being complemented by China's growing military prowess that some fear Beijing is expected to display more assertively when the period of its "strategic opportunity" ends. The Chinese leadership defines this period as the first 20 years of the 21st century, reflecting recognition in Beijing of a unique opportunity presented by external and internal environment for China to achieve major strategic gains in economic and military development.[72] Specifically, by 2020 China wants to quadruple the GDP it had in 2000 and to become "a mid-level developed economy by 2050."[73]

China is also making strides in the military field. Its defense spending is now the second-largest after the United States, measuring U.S.$106 billion in 2012. If all goes according to plan, China is likely to attain "moderate, evolutionary gains in the ability of air, ground, and maritime forces to conduct joint, offensive operations abutting China's maritime and land borders" by 2020.[74] In its 2010 report to U.S. Congress, the Department of Defense stated this about China's military capabilities:

> Earlier this decade, China began a new phase of military development by articulating roles and missions for the People's Liberation Army that go beyond China's immediate territorial interests. Some of these missions and associated capabilities . . . appear designed to improve the PLA's [People's Liberation Army] ability for extended-range power projection, although China's ability to sustain military power at a distance today remains limited.[75]

The rise of China's military follows its growing economic footprint, which forces readjustments in the military capabilities and missions to protect China's interests. Given the country's dependence on maritime domain for imports of strategically vital resources and exports of goods, China's navy, rather than the army, is expected to "go global" first. At this stage, however, only the missile, space, and cyber capabilities enable China to project power globally.[76] In his *China Dream*, PLA Senior Colonel Liu Mingfu sees a "grand goal" of China in "becoming number one in the world"—a task requiring China to displace the United States. As China rises economically, he writes, it needs to rise militarily so as to win in a struggle over primacy.[77] In response, nations from Vietnam and Japan to New

Zealand and Australia have stepped up their cooperation with the United States, which remains committed to security of the global commons and its partners in the Pacific but has fewer resources to accomplish these objectives due to the shift in global power "from the West to the Rest." This, in turn, has prompted fears in Beijing that Washington is seeking to contain China's rise by revitalizing old and building new alliances.

China's ascendance is exerting tremendous pressure on the global economic and security system, forcing reconfiguration of international relations, especially in East Asia and increasingly Central Asia, as well. These developments have prompted efforts by Washington to "rebalance" to Asia as part of its "Pivot to Asia-Pacific" launched in 2012. From a policy of containment since 1949 and engagement since 1969, the United States has effectively pursued a China policy displaying elements of both containment and engagement since 1989. Some describe the U.S. current strategy toward China as "congagement,"[78] which does not contradict the U.S. "pivot" strategy because Washington continues to engage Beijing. China has countered the U.S. "pivot" by initiating in 2013 its own "pivot" in the form of overland and maritime "silk road" initiatives in East and Central Asia[79] and by enhancing pressures toward multi-polarity in the international system. With its BRIC (Brazil, Russia, India, and China) partners, China has been seeking to adjust or create alternative economic and security institutions, challenging the structure created by the West in the wake of World War II.

Having established the SCO in Central Asia, which excludes the United States, China seeks to create a new security architecture without U.S. participation in broader Asia. As Xi stated at a conference in 2014,

"It is for the people of Asia to run the affairs of Asia, solve the problems of Asia, and uphold the security of Asia."[80] But it is in the economic area where it has most succeeded. Along with BRICS (BRIC plus South Africa) nations, China launched the New Development Bank (NDB) with the initial capitalization of U.S.$100 billion in order to level the playing field where the World Bank (WB), with capitalization of U.S.$223 billion and the International Monetary Fund (IMF) have traditionally reigned supreme. It also spearheaded the Asian Infrastructure Investment Bank (AIIB) with capitalization of at least U.S.$160 billion, which aims to have 57 founding members by the end of 2015, challenging the Asian Development Bank led by the United States and Japan.[81] Britain's application in 2015 to join AIIB has displeased Washington, promoting a U.S. official to say that the United States is "wary about a trend toward constant accommodation of China."[82] China also issued U.S.$10 billion more in loans than the WB in 2008-10 through its China Development Bank.[83] It also supported the Chiang Mai Initiative, which has challenged the position of the IMF by seeking to create a regional lender of last resort. To acknowledge China's growing contribution to world economy, the IMF increased China's voting share by 15 percent, and the WB appointed a senior Chinese economist as its chief economist for the first time.[84]

While these developments for the time being support Robert Kaplan's conclusion that East Asia is generally all about business, China's economic drive is bound to shift gears in regional capitals.[85] True, economic imperatives have often prevailed over geopolitics in Asia in the last 3 decades.[86] But this is about to change in the next 3, as China translates its economic capabilities into military power and prompts more

focus on geopolitics in the neighborhood increasingly uneasy about China's rise. Already, Japan is debating its self-defense clause, which may open the way for a more active security role by Tokyo. India, a member of the "nuclear club" but not of the Non-Proliferation Treaty, is starting to assume a role of Washington's strategic partner in ensuring a peaceful rise of China and a stable global order. Delhi and Washington signed a Civil Nuclear Cooperation Agreement in 2006, and India may soon start importing nuclear reactors and fuel from the United States. The deal is critical because it enables Washington to help Delhi develop ballistic and anti-ballistic missile technology.[87] Vietnam, no longer facing a full arms embargo by Washington, looks forward to U.S arms supplies, while relying on Russia as a major arms supplier and building stronger defense ties with India.[88]

While the relationships are important, it is the relationship between China and the United States that will be the defining factor in the transition of power away from the West and evolution of global order. One can describe the U.S.-China relationship as a "competitive co-existence," with both countries suffering from the deficit of "strategic trust."[89] Should the United States contain or engage China? Unlike during the Cold War, when it misapplied the concept of containment developed by George Kennan to keep the Soviet Union in check, the United States today is in an intertwined economic relationship with China that enjoys strong and growing economic ties with U.S. allies in Asia and Europe. China is thus more likely to deflect than succumb to any U.S. containment.[90] Washington would be unable to alter the balance of power and contain Beijing without undermining one's own economic base. By the same token, any of China's attempts to exclude the United States from Asia would

face resistance from Washington and Asian states unwilling to see their region dominated by China.[91] This does not mean that the former will not attempt containment or that the latter will not seek hegemony. As John Mearsheimer asserts:

> It is clear from the historical record that American policy makers never tolerate peer competitors. Therefore the United States can be expected to go to great lengths to contain China and ultimately weaken it to the point where it is no longer capable of ruling the roost in Asia. In essence, the United States is likely to behave towards China much the way it behaved towards the Soviet Union during the Cold War. [92]

China, according to Mearsheimer, in turn would likely follow in the steps of "all previous potential hegemons" and would "be strongly inclined to become a real hegemon,"[93] developing its own Monroe Doctrine as another Asian power, Japan, once did in the 1930s.[94] China's experience of once being the predominant force in the world and Asia and its potential to emerge as the world's largest economic force may indicate its intention to displace the United States from its position of leadership in Asia, if not the world.[95] Ultimately, if neither the United States, nor China pursue an accommodation and peaceful power transition, the international system should ready itself for a collision of major magnitude. According to long-cycle theorists, power shifts occur approximately every 100 years, with most power transitions leading to wars between the dominant state(s) and rising state(s) and, usually, resulting in the emergence of a new set of dominant states for the next century.[96] Regardless of how the winner is in this scenario, the related repercussions for global development and security would be far-reaching.

If one were to assume that Washington seeks to contain Beijing and the latter seeks to expand vis-à-vis the United States, one may conclude that "China has done better at constraining America's response to its rise than America has done in transforming China."[97] Unlike China, the United States is short on financial resources, being forced as it is to cut defense spending to reduce its U.S.$0.5 trillion deficit and U.S.$18 trillion sovereign debt. It cut its defense budget by U.S.$37 billion in 2013 and is expected to see a decline of 20 percent by 2022, which would further undercut the "pivot" strategy.[98] Trillions spent on wars in Iraq and Afghanistan have aggravated the fiscal challenges. While Washington invested "blood and treasure" as part of these wars, China has been investing funds and importing oil and mineral resources from both countries, expanding its economic stake while Washington was doing the "heavy lifting."[99] To make matters worse, China is now the U.S. largest foreign holder of U.S. public debt (U.S.$1 trillion).[100] Fixing the fiscal challenges is a now a major national security imperative for the United States if it wants to avoid the fate of other great powers—the Union of Soviet Socialist Republics (USSR), the United Kingdom (UK), Spain, and Rome, among others.

With the U.S. "Pivot to the Pacific" and China's expansion and consolidation of its strategic position in Asia, Beijing finds it timely to march westward through Central Asia in search of resources to equalize its internal development, expand its global economic footprint, and deflect U.S. pressure in the east. Unfortunately for Washington, its economic influence in Central Asia is insignificant and its regional military role is under question, as U.S.-led coalition forces plan to withdraw from Afghanistan by 2016. China, in turn, sees Central Asia as an outlet for its untapped

development and expansion years after it has displayed a leading economic position in Southeast Asia. As one Chinese analyst noted, "If Southeast Asia is our front yard, then Central Asia is our backyard."[101] China is actively pursuing its "belt" initiative, which overshadows the NSRS in reach and commitment and ensures for Beijing a more lasting military presence.

While the "belt" feeds into U.S. strategy of enhancing global connectivity, it also serves to buttress the "comprehensive national power" of the country that may emerge as the world's largest economic and military power by 2050 and 2100, respectively. Why is this all important? Central Asia is of strategic importance to U.S. allies in Europe and Asia and for the U.S. ability to sustain its leading position and global order amid the rise of new centers of power that are encroaching on Central Asia. Washington should be prepared to shape China's ascendance and engage Beijing, while pushing forward on both fronts—in the Asia-Pacific and Central Asia.

To preserve the sinews of the international system, the United States needs to involve China in adjusting the system, with or without prompting from Beijing. This requires that Washington increasingly engage China's allies and potential challengers in institutional settings early on. Unfortunately, the U.S. record in building institutions and partnerships in East Asia is much more impressive than in Central Asia. As a sea-based power that defeated Japan in World War II, the United States is far more comfortable in the Asia-Pacific where it has built a network of allies and shares much stronger economic ties. Since 1945 until today, no other Asian power, not even Japan, had questioned U.S. military preeminence in the region. To this date, Washington continues to support the pursuit of multilateral economic and military institutions in East Asia.

In Central Asia, on the other hand, the U.S. institutional influence and country partnerships are weak. Even the collapse of the USSR and 9/11 may prove to be fleeting drivers of its presence in the region, where Russia's predominant security role and China's growing economic influence have impeded U.S. efforts to "grow roots" in Central Asia. Washington may not care much about its economic stake in the region, but it should surely be concerned about regional economic and military dynamics that impact its global position. Unlike China, which led the creation of the SCO, reinvigorated the Kazakhstan-initiated Conference on Interaction and Confidence-Building Measures in Asia organization, and launched the "belt" project in Central Asia, the United States has largely failed to create, sustain, or involve itself in new or reshaped regional institutions. Washington negotiated Trade and Investment Framework Agreements, advanced the TAPI and Baku–Tbilisi–Ceyhan (BTC) projects, and promoted NATO's Partnership for Peace (PfP) programs. It has also advanced the Northern Distribution Network (NDN) running supplies to and out of Afghanistan, proposed the creation of a counternarcotics initiative, and launched the NSRS. Aside from the BTC and NDN, the other initiatives have either not materialized or failed to advance U.S. global interests effectively. The BTC and NDN have fostered the integration of the Caspian and Central-South Asia with the global economy, but the U.S. role in sustaining the NDN legacy and unleashing the NSRS potential is unclear after withdrawal of U.S. forces from Afghanistan. To shape China's global rise, Washington needs to have a regional presence in Central Asia, where China's "pull" is setting the direction for the reconfiguration of the region's geopolitical space.

CHAPTER II

RECONFIGURATION OF CENTRAL ASIA'S GEOPOLITICS

Things fall apart; the centre cannot hold. . . .

W. B. Yeats, 1919.[102]

Multidirectional "Push-Pull" Forces.

Forces exerted by major powers advance reconfiguration of Central Asia's geopolitics at a pace and extent much more rapid and profound than was the case after the collapse of the Soviet Union. Russia today is a much stronger actor than the Russia in the 1990s, seeking to revitalize its influence by absorbing post-Soviet states through the Moscow-led EU. The United States, which had been an outsider during the Cold War, successfully inserted itself into the broader region as a major military force after 9/11 and has been facilitating the opening up of economic corridors of Eurasia ever since. The EU has partially managed to reorient the Caspian states closer to Europe in the energy sphere. China has already significantly altered the region's economic flows over the last 2 decades and is yet to reshape the region's security architecture. India has finally awakened, pushing itself north as it seeks to connect Central and South Asia via Afghanistan. While still lagging behind China, it has committed to expanding its regional presence by launching its "connect" policy. Even Iran is now increasingly optimistic about its growing influence in Central Asia given hopes of improved relations with the United States. Other middle powers are also impacting the

regional scene. Alas, the regional republics have, for the most part, acquiesced with proposed or imposed external visions, failing to advance their own vision of their own region in concert, despite clear benefits of intra-regional cooperation.

All of these "push-pull" forces are simultaneously gluing and tearing the region apart, potentially creating conditions for uncontrolled geopolitical competition, arms race, militarization, and war. Russia drags the region north; India pulls it south; the EU, west; the United States, west and south; and China, east. At this stage, neither power is wielding an overwhelming influence across all domains, allowing Central Asian states to withstand pressures from any single power. But China's rise today, and India's ascendance in various dimensions of power and influence in the long term, are bound to transform the regional landscape beyond recognition if current dynamics hold. In this case, the failure of Central Asian states to organize collectively and promote intra-regional integration would prove an omission that had traditionally cost them dearly during imperial expansions by Russia starting in the 19th century and China under various dynasties. Only a strong center, a pole of intraregional organization, can withstand these pressures and mitigate the conditions that could lead to open external rivalries and internal wars.

Of all these pressures, China's rise is more multifaceted and powerful, promising to tilt the balance of power further in favor of Beijing, as neighboring China expands its global and regional footprint in the next few decades. Already, the region's shifting economic flows—aid, energy, investment, transit, and trade—indicate that China's "pull" on Central Asia is a stronger force, realigning the region along an east-

ern vector. China's trade turnover with Central Asia stands at about 29.6 percent and is growing (compared to the EU's at 26.4 percent and Russia's at 18.3 percent).[103]

In itself, China's economic expansion is a boon for the Central Asian countries that necessarily should leverage China's influence as they pursue their development and external economic integration. But an expanded economic influence of a neighboring power inevitably comes with economic, political, and security challenges. An expanded political and military influence of such power could threaten the sovereignty or make-up of the regional countries. It is this threat that should prompt regional actors, from both within and outside the region, to organize and shape China's regional ascendance. As they do so, the Central Asian states and their partners should not contain but engage China in a set of institutions strong enough to check China's ambitions for domination in check. This in part entails pursuing a policy of "multilateralism" similar to China's own approach increasingly emphasizing "regionalism" and "multilateralism."

China's involvement in regional institutions seeks to ensure that the United States does not contain China and that members of these structures are not concerned about China's rise, while exposing U.S. alleged unilateralism and China's contrasting approach of multilateralism in foreign affairs.[104] By pursuing "multilateral regionalism," China advances institution building,[105] prevents or mitigates collective counter-response, and experiments with designs and leadership roles as it rises to the ranks of most powerful.[106] Its track record of building or supporting the creation of regional institutions in Asia speaks for itself. China has successfully launched or supported the creation of SCO, Association of South East Asian Nations (ASEAN) plus

Three (ASEAN: Brunei, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam; plus the People's Republic of China, Japan, and Korea), ASEAN Plus Six (Australia, China, India, Japan, New Zealand, and South Korea), NDB, and AIIB.[107] While these efforts demonstrate China's intention to create alternative institutions, thereby challenging the established rules of the game, they also indicate China's desire to be included rather than excluded and its plans to play a role of a common denominator in global and regional affairs.

The Central Asian states and their partners should use the same trick on China; by organizing from within, and involving China in select existing or new institutions, they would make the reconfiguration of the region's geopolitics a more balanced and stable process. This would help them advance multivector foreign policies, guard against external encroachments on their newly-found sovereignties, and facilitate their economic development. This would also serve China's goal of making its rise less threatening, while committing Beijing to common rules of engagement in the rapidly changing region.[108] This is critical because China's rise will prompt other powers to respond to China's advances, potentially exacerbating the already ongoing external rivalries over influence in the region. In the process, the Central Asian states should take advantage of the division of labor among external players to ensure that the region's geopolitical reconfiguration is not a one-sided process driven by a single all-powerful actor, and that no need arises for a "second coming" (in case of a regional or global war starting out of Central Asia).

Division of Labor in Central Asia.

Varying agendas and capabilities of great powers that underpin the "push-pull" forces in the region reveal a peculiar division of labor in Central Asia. It is peculiar, not because there is no single power wielding a comprehensive array of influences across economics, security, and military areas in the region. It is peculiar because China gradually emerges as the power increasingly projecting influence across all of these categories at the same time. China's economic influence is already predominant in Central Asia, and its influences and roles in cultural, political, and security developments of the broader region are growing rapidly.

Russia remains the guarantor of the regional security order, relying on the CSTO and bilateral ties to advance regional security and Moscow's influence. In 2012, it secured a deal with Kyrgyzstan to extend the lease of CSTO airbase in Kant for 15 years in exchange for writing off about U.S.$500 million of Kyrgyzstan's debts. In addition to the CSTO base, Moscow operates a naval test site at Issyk Kul Lake in Kyrgyzstan, maintains its largest overseas base hosting up to 7,000 personnel in Tajikistan, and a space station at Kazakh city of Baikanur. In 2013, Moscow and Tajikistan agreed to extend Russia's military presence at the base for 3 decades. Russia also pursues growing defense ties focused on joint anti-missile defense with Kazakhstan, which it shares the world's longest border.

But while Russia's security role and presence are paramount, they are not unchallenged. Unlike Tajikistan and Kyrgyzstan, which are the largest recipients of Russia's military aid in Central Asia, Uzbekistan and Turkmenistan shun Russia-led "collective" se-

curity institutions, "flirting" with the United States and China to offset Moscow's influence. Uzbekistan and Turkmenistan are both members of the China-led SCO, which pursues a struggle against "three evils" and holds frequent military exercises. Both countries also purchased China's first-ever anti-missile defense systems HQ-9 in early-2015, about the same time the United States announced a donation of approximately 300 armored vehicles to Uzbekistan. For China that has traditionally stayed away from providing sophisticated weaponry to the regional states, doing so today signals its growing confidence in enhancing its security and military role in Central Asia, even if one considers its actions as having Moscow's "green light" and seeking to mitigate security risks emanating from Afghanistan. In 2007 and 2009, China offered U.S.$3 million in loans to Turkmenistan to boost its capability against militant attacks on energy infrastructure and U.S.$3.7 million to Uzbekistan to install mobile scanning systems at border crossings due to instability in Afghanistan.[109]

To fight the "three evil forces," China even considered the possibility of having a military base in southern Kyrgyzstan in 2005[110]—5 years before Russia and the CSTO failed to respond to inter-ethnic clashes that displaced thousands and killed hundreds in Kyrgyzstan. It later emerged that, aside from Russia's and CSTO's own constraints, it was China's and Uzbekistan's objection to the presence of Russian troops close to their borders that prevented the deployment of Russia's or CSTO forces during and after the clashes. China also had its eyes on the Karshi-Khanabad base in Uzbekistan, which the Soviet Union built to address potential threats from China during the Cold War,[111] but has failed to secure it in part due to Moscow's opposition.[112]

That China has publicly recognized Russia's pre-eminent security and military role in Central Asia brings forth a few important points. First, China is interested, for the time being, in a strategic partnership with Russia to advance multipolarity and constrain the United States globally. Second, China wants to facilitate its economic expansion in Central Asia without drawing major opposition from Moscow, whose long-term economic influence is receding. Third, China understands its inability to assume the role of the region's security guarantor, let alone pursue it effectively. With Afghanistan teetering on the brink of collapse and the need to secure Xingjian from militants, Beijing has no other way but to view Moscow and Washington as short-term partners. Finally, the very fact of the public acknowledgement reflects the increasingly wide and correct perception, especially in Kremlin, of Beijing's growing security and military clout in the region.

Besides pushing aside Russia in the security sphere, China is also steadily stepping on the U.S. regional military role that has primarily focused on Afghanistan. Neither nearby Russia, nor neighboring China can currently assume this role. In fact, both Moscow and Beijing have been occasionally displeased with the planned withdrawal of U.S. forces from Afghanistan. They perceive the U.S. war effort as a failure that could lead to deterioration of regional security if Washington does not ensure a responsible conclusion of the military mission. They are specifically alarmed at the prospect of substantial destabilization of Afghanistan after 2016 and likely expanded inflows of refugees, militants, and drugs into Central Asia, Russia, and China.[113] Reports of the Islamic State militants gaining foothold in Central-South Asia present additional security concerns.

This is part why, after years of "free riding," Beijing is stepping up its security role by training Afghan national police forces, working with Pakistan to bring mutually beneficial security outcomes, and boosting anti-terrorism cooperation and military sales to the Central Asian states bordering Afghanistan, where it has a growing stake in mineral deposits and transit infrastructure. Given its strong leverage on Pakistan and history of "quiet" cooperation with the Taliban in 1990s, China even proposed mediating between coalition forces and the Taliban.[114]

Despite these efforts, China's military role in Afghanistan—in addition to its covert and overt role in the country in conjunction with Pakistan—is only starting to shape up. Unlike Central Asian countries, where China faces Russia as the major military actor, Afghanistan could present for Beijing an opportunity to experiment with its military designs due to planned withdrawal of U.S. forces from that country. At this time, China is more likely to entertain this possibility through its proxy, Pakistan, while increasing military aid to Kabul in the form of training, weapons, and intelligence sharing. This is because China is cautious not to aggravate the already tense relations with its strategic rival in the face of India and not to stir the nest of radicalism crisscrossing Pakistan and Afghanistan and inviting yet another historical struggle between an "infidel" empire and righteous "freedom fighters."

This is not to discount China's interest in seeing the U.S. military in the region gone as far as the eye can see. From a longer-term perspective, Beijing views U.S. regional military activities as flanking and encircling China from the east and the west—a scenario its seeks to avoid by enhancing its security and military role in Afghanistan without committing to

exceedingly costly endeavors just yet. Beijing therefore views with content the SCO's decision in 2005 to call for withdrawal of U.S. bases from Central Asia; the closure of the U.S. base at Kharshi-Khanabad in Uzbekistan the same year following U.S. criticism of Tashkent's crackdown in Andijan; and the recent termination of U.S. base operations in Kyrgyzstan, even if under pressure from Russia.

In addition to demonstrating its growing security and military influence vis-à-vis Russia and the United States, China is bringing competition to the EU's development agenda and India's energy forays in the broader region. With respect to the former, Beijing has substantially increased its aid inflows and investments into Central Asia without conditioning them on political or economic liberalization. What China wants in return is an opportunity to do business. The lack of transparency and checks and balances in Central Asian states, and in China itself, make Beijing's approach to foreign assistance a relatively more effective tool, if not necessarily and always beneficial for the long-term economic and political development of the regional countries.

Unlike India, China has attained a more demarcated role and meaningful presence in Central Asia. This is not to dismiss India's decision to institutionalize its vision for the region through its "connect" policy, boost its military and economic presence by seeking to set up its first-ever overseas military base in Tajikistan, and launch the TAPI pipeline linking Central and South Asia. Of all these deals, Delhi has made more progress on TAPI, whose members are close to starting construction. But, unlike China, it has not yet spearheaded regional security and economic cooperation structures. Nor has it built for itself a comparable

trade and energy investment profile in the region. However, India has a tremendous long-term potential for enhancing its regional status as a major trade, energy, and security player. This potential, similar to the one already being displayed by China, depends on India's economic development and improvement in the regional security situation involving unstable Afghanistan and Pakistan.

Comparatively speaking, China's share of labor in the economic, political, and security areas is growing, redefining the traditional division of labor among external powers in Central Asia. If left unchecked, China could soon start assuming attributes of an emerging hegemon. This prompts an assessment, if not the forecast, of China's potential role as a hegemon in the region.

Attributes of China's Regional Hegemony.

> We know we have to play the game your way now, but in 10 years, we will set the rules!
>
> Chinese Diplomat, during China's negotiations to join the WTO [World Trade Organization].[115]

Goldman Sachs predicts that China will be the largest economy by 2050, closely followed by the United States and India, while Russian, Mexican, and Indonesian economies will be larger than the German, French, and UK economies—a markedly reshaped global economic order.[116] No one knows how China's rise to the status of the world's largest economy and its approach to global affairs will define the security and economic order of the world and Central Asia. As a Chinese scholar observed, at this stage "China is

not prepared for world leadership."[117] It still views the outside world as a source of financial gains, making it unprepared for a global leadership role.[118] Not yet clear about the need or desire to participate in global governance, China tends to display a "transactional" approach in its foreign relations, seeking to assess any move with a cost-benefit analysis more suitable to trading and narrow gain than to win-win approaches and outcomes.[119] Deng Xiaoping even questioned the need for China to be a superpower. As he famously said:

> China is not a superpower, nor will it ever seek to be one. If one day China should change its color and turn into a superpower, if it too should play the tyrant in the world, and everywhere subject others to its bullying, aggression, and exploitation, the people of the world should . . . expose it, oppose it and work together with the Chinese people to overthrow it.[120]

The year Xiaoping gave the speech, China was only starting its journey as an aspiring global power, and the statement reflected China's frustration with the external environment and its inability to change much about it. Today, however, China is a transformed nation, poised to also transform the world. The question of its ambitions or potential to become a superpower and project hegemony is as relevant as never before. As Samuel Huntington observed:

> China's history, culture, size, economic dynamism, and self-image all impel it to assume a hegemonic position in East Asia. This goal is a natural result of its rapid economic development. Every other major power, Britain and France, Germany and Japan, the United States and the Soviet Union, has engaged in outward expansion, assertion, and imperialism coincidental

> with or immediately following the years in which it went through rapid industrialization and economic growth. No reason exists to think that the acquisition of economic and military power will not have comparable effects on China.[121]

An assertion by Beijing that "China's peaceful development has broken away from the traditional pattern where a rising power was bound to seek hegemony"[122] is therefore yet to be tested, even if one accepts a premise that a continued economic development is China's way of fulfilling its international responsibility.[123] A lot will depend on how the United States and its allies, among others, approach the issue of integrating China and helping it assume a peaceful and responsible role as a rising power. As Wang Jisi points out, "China can rightfully be expected to take on more international responsibilities. But then the international community should take on the responsibility of helping the world's largest member support itself."[124]

In the mid-term, China will continue adhering to the rules of the international system while seeking the creation of parallel rules and structures,[125] undermining the U.S.-led system of global relations. After the 2008 financial crisis, for instance, China lectured Washington on malpractices that caused the downturn and emphasized government oversight in what some view is its effort to "reinvent capitalism rather than ruin it."[126] Just as other powers before it, Beijing will seek to offer its own narratives and concepts of relations among states, including principles such "unity," civilization-state," "tributary system,' its unique view on race, and "centralization/decentralization."[127] These concepts will be pronounced in China's inter-

actions with neighboring states, including in Central Asia, where attributes of its potential hegemony can be classified into security, political, economic, and cultural aspects of its predominance.

The security aspects of such predominance in Central Asia are likely to hinge on China's strong institutional basis that would downsize Russia's security influence in the region. In this context, the SCO could well be a precursor to a substantially revamped SCO or another institution that afforded Beijing a role of **the leader** rather than **a co-manager** of regional security orders. If it fails to project its dominant security position via a regional security body due to strong resistance of external and regional actors, it would—at a minimum—seek to build strong security and military ties with individual Central Asian republics. Once Beijing asserts itself as the largest economy, it will be more confident projecting its military role and presence worldwide, especially in its "periphery." If Russia, the United States, and India have established or plan to set up military bases in Central Asia, why should it not be China's mission, place, and time to do so? Ultimately, China will have to reevaluate the principle of noninterference when it confronts the need to deploy/use military force to protect its significantly expanded overseas interests.[128]

This poses a question of whether China will seek territorial expansion at the expense of Central Asia as part of its potential efforts to establish a military hegemony. In the contemporary context, and in the next 15 years, the answer is likely to be a resounding "no." First, China and the regional republics delimited their disputed borders, leaving no room for claims that could spark the territorial expansion. Second, China's hegemony is likely to be economic in nature, in a way

similar to the trade and finance-rooted imperial impulses historians have attributed to the United States after it emerged as the world's economic leader. Third, the balance of power politics and involvement of other actors would work against such a possibility. Fourth, despite its territorial expansion throughout centuries, China has not followed (yet) Western nations' practices of overseas expansion or colonization of large territories beyond adjoining areas.[129] Fifth, the changing nature of power and the existence of nuclear weapons in the hands of several major actors would constrain an expansive military strategy by China. One already sees "diminishing returns" to conquest and territorial expansion; destructiveness of modern combat; the increased importance of legitimacy and other sources of power (such as cultural and economic); economic interdependence, etc., as factors changing the nature of power in the 21st century.[130]

Finally, the historical context and the issue of China's strategic military culture are important. Originally and extensively based on farming and agriculture, Chinese civilization traditionally focused less on the use of military force in order to set an example and attract neighbors.[131] Today, China is primarily leveraging its economic means and diplomacy in Central Asia. As Parag Khanna observed:

> China is winning the new Great Game because it is building the new Silk Road, taking the best of the British and Russian strategies from a century ago: preserving buffer states and allies like the former but without the abrasive conquest style of the latter.[132]

This is not to say that China's territorial expansion into Central Asia is impossible, not given the events in Ukraine and Georgia, China's history of expansions,

border wars, and potentially critical regional developments. For over 2,000 years following the victory of Qin dynasty during the Warring States period, China expanded into south, north, and west to Central Asia, relying on conquest, wars, bribery, assimilation, and settlements. These experiences instilled a perception among Chinese that territorial expansion equals "unification," not "conquest." China has pacified and sought control of its periphery to secure its heartland, protect overland trade routes, and strengthen the hierarchical, sino-centric, Confucian regional order. The Confucian institutions and ideas underscored the internal order and stability over the conquest and expansion. Only once they ensured internal stability and order would most Chinese regimes start asserting claims over the periphery or "consolidating the territorial boundaries of the Chinese state at their maximum historical limits."[133] China's expansion westward rested on a particular brutality and extended into Central Asian zones in Xingjian, prompting a conclusion that, "territorially speaking, China remains an empire."[134] Some Chinese scholars still consider the Ferghana Valley as Chinese territory, with a PLA publication in the early-1990s listing the eastern part of Kazakhstan as constituting China's historical boundaries.[135]

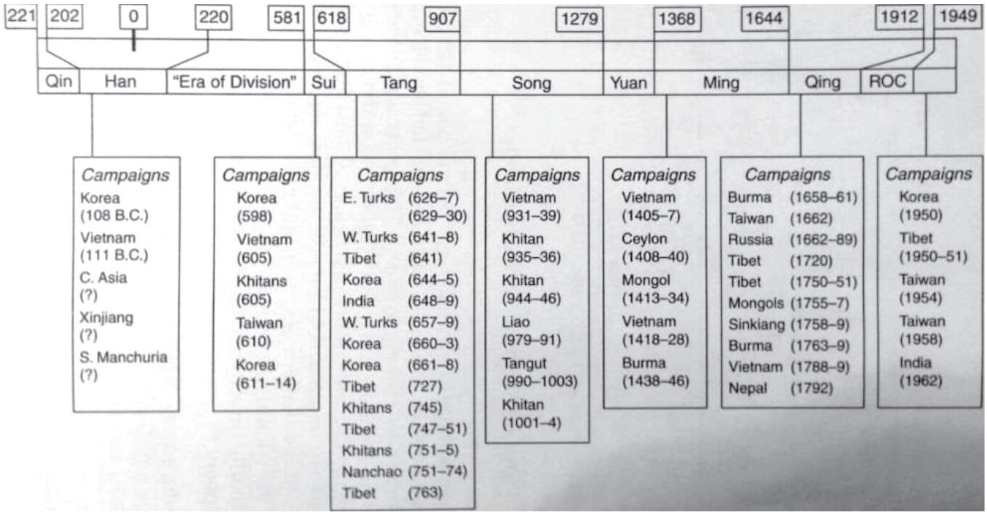


Figure 2. China's Wars against Periphery.[136]

Some further argue that the use of force is "endemic" in Chinese history. A Chinese military source indicates that China was involved in a total of 3,790 internal and external wars between 1100 BC and AD 1910.[137] During the first 3 decades since its founding, China fought more border wars than any other state, which convinced authorities to launch a "good neighbor diplomacy" with periphery states to ensure a smoother rise to the ranks of most powerful.[138] One should recognize, however, that China has been, in one shape or another, a civilization that has existed for at least 3,000 years, a period long enough to witness numerous wars.

In critical circumstances, one could imagine a militarily powerful China conquering parts of Central Asia to address state failure, uproot militants, protect its citizens, safeguard energy corridors, or repel aggression of local, proxy, or extraregional forces. In 2009, a senior Chinese military leader declared a

possibility of military intervention in Central Asia in case of destabilization caused by Islamists in the region.[139] Meanwhile, the PLA plans "to forge a strong military force" for "important missions," including those centered on the need to secure energy resources in Central Asia.[140] It has been "significantly advancing its near-periphery power projection capability" and could use its military capabilities in Xingjian for contingency operations in Central Asia.[141] Its helicopters are capable of electronic warfare operations, raids, precision strikes, and air assaults.[142] At this time, however, China is unable to effectively deploy its forces for sustained periods or lead military missions on par with the United States or Russia.

The political attributes of China's potential hegemony present an equally complex case. On the one hand, we could expect China's rise to entrench authoritarianism and corruption, which observers associate with Beijing's foreign relations and the regional countries' own practices. Already, China's economic engagement is constraining the region's "sustainable socio-economic development" by neglecting domestic reforms.[143] Meanwhile, its reliance on "secret and illicit techniques" to expand influence along its "continental periphery" damage democratization prospects in Central Asia.[144] On the other hand, China's global economic expansion is likely to translate into political transformation of China and Central Asian countries, with potentially positive effects on the global wave of democratization. In China, many, including in the leadership, are publicly discussing the merits of political reforms and democratization of the governance system, albeit within limits that would ensure the survival of the communist party's position and development of the country according to Chinese distinct

way.[145] Central Asia can thus remain authoritarian or become more democratic. The truth would likely lie somewhere in between, especially given unique aspects of global or regional hegemonies exercised throughout history and the Central Asian states' own way of democratization and political development.

Becoming a democracy is no guarantee for stability. Democracies may not tend to fight one another, but they do fight non-democracies. Studies also show that "states that make the biggest leap in democratization" are "about twice as likely to fight wars in the decade after democratization" than autocracies.[146] According to Chinese political scientist Fei-Ling:

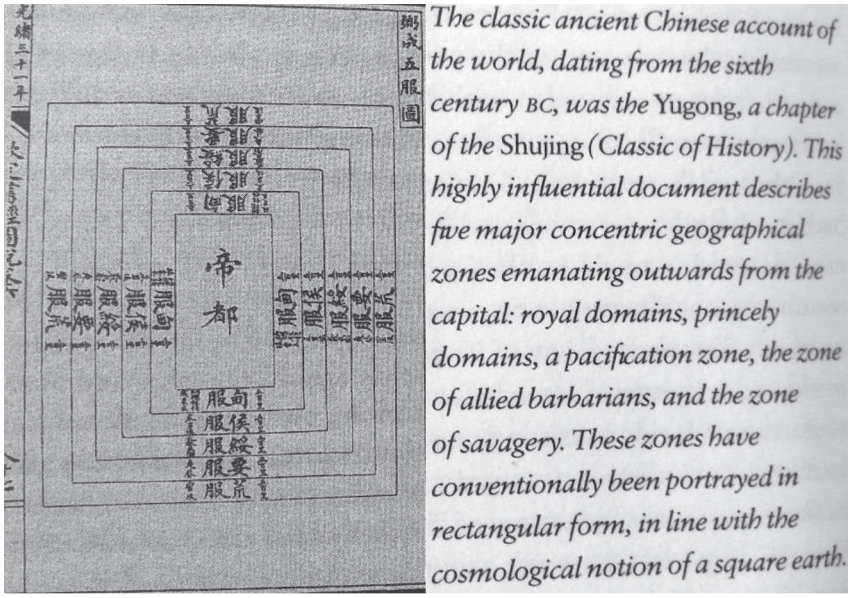
> A 'democratic' regime in Beijing, free from the debilitating concerns for its own survival but likely driven by popular emotions, could make the rising Chinese power a much more assertive, impatient, belligerent, even aggressive force, at least during the unstable period of fast ascendance to the ranks of a world-class power.[147]

The rise of Chinese nationalism as part of China's democratization and the rise of Central Asian nationalisms (including as a response to China's growing presence) could present major security risks. An attack on Chinese interests in Central Asia may well invite a military response by Beijing fueled by popular demand at home.

In addition to democratization and nationalism, we should also consider China's tribute system as a major political, economic, and cultural aspect of its conception of domestic and international orders. The tributary system was largely a "cultural and moral rather than administrative or economic system," with non-Chinese rulers adhering to appropriate norms

and ceremonies when being received by the emperor, even if the reasons for contact could be economic. According to the system, a proper tribute to the emperor suggests an acceptance of superiority of China's civilization and, if accepted, would ensure noninterference in the domestic affairs by China.[148] It historically emphasized China's superior role, relegating to "barbarians" the role of inferior beings incapable of matching the sophistication of China's political and cultural system.[149]

The Chinese regarded highly the principles of social order and equality promulgated by Confucius and other scholars and statesmen throughout history. But this they did within the Chinese society, while applying a stratified approach to classifying and treating foreigners. This is where cultural attributes of China's hegemony become especially relevant in Central Asia—the region where China had actively interacted with both the native and other civilizations in the past. Will China's political and social principles emerge as the dominant shapers of social norms and interaction in Central Asia? What impact will they have on the region's cultural and political systems? After all, China is first likely to project its hegemony in economic, cultural, and racial terms, the latter being rooted in its rich history as a civilization and long-standing tradition of classifying peoples according to a hierarchy.[150] Or, will the regional peoples absorb the blow of "superior" Chinese values, as they have repeatedly done vis-à-vis foreign cultures in the past?



The classic ancient Chinese account of the world, dating from the sixth century BC, was the Yugong, *a chapter of the* Shujing *(Classic of History). This highly influential document describes five major concentric geographical zones emanating outwards from the capital: royal domains, princely domains, a pacification zone, the zone of allied barbarians, and the zone of savagery. These zones have conventionally been portrayed in rectangular form, in line with the cosmological notion of a square earth.*

Figure 3. The Ancient Chinese View of the World.[151]

While Central Asians have shown a remarkable ability to absorb foreign influences in the course of wars, victories, defeats, and colonization throughout history, a cultural interaction with the world's largest economy is almost certain to translate into a Chinese cultural expansion shaping anything from cloth and eating habits to literature and socio-political organization of life. Already, more students learn Chinese and go to China than ever before. Chinese goods inundate regional markets. Chinese migrants, cars, and restaurants increasingly appear in regional streets. With China's trade and investments come its growing cultural and political influence. The reverse process is true as well, but its magnitude is less profound or even sustaining at this point.

China's growing dominance in Xingjian is an important indicator of how Beijing is likely to treat Central Asia and its residents—an important question

considering volatile socio-political dynamics in China proper. Xingjian is changing rapidly, as Han Chinese increasingly populate the area and authorities spend billions to develop the region. The Confucion idea that "humiliation stimulates effort" mobilized China's attempts to address the wrongs of humiliation. But the amassed wealth and power have reinforced the rise of nationalism, inferiority complex, and poor treatment of its own citizens, especially in Xingjian, where tensions between Han Chinese and Uyghurs are running high and accompanied by repeated violence and clashes.[152]

While China's power has grown, its "soft power" in Central Asia and the world has remained limited. The appeal of its culture or education in Central Asia lags behind Russia, Turkey, and the West, albeit growing rapidly.[153] Aside from "peace and harmony," China has few universally appealing "soft power" attributes. As David Shambaugh argues, "the question is not what is unique about China, but what is (potentially) universal about China. China's universal "soft power" aspects emphasize democracy between rather than within states, appeal to the developing world, China's economic growth model, and its opposition to global domination, especially following the global financial crisis caused by and blamed on the U.S. economic model.[154]

But Beijing offers few alternatives or solutions. As Chinese diplomat Wu Jianmin observed, China needs to concentrate on "reinventing" Chinese culture as it struggles with internal identity crisis and seeks to build a "mainstream culture." Chinese leadership plans to invest a U.S.$7-10 billion annually into its "overseas publicity work" to boost its cultural presence and power.[155] President Hu Jintao said this about China's

cultural presence and "soft power": "We should bring Chinese culture to the world, develop cultural soft power compatible with China's international standing, and increase the influence of Chinese culture in the world."[156] China plans to set up 1,000 Confucius Institutes worldwide by 2020 to help achieve this. In the United States, these institutes came on the Federal Bureau of Investigation radar because they may serve as intelligence collection sites.[157]

Ultimately, it is China's economic dominance that will, first and foremost, define its hegemony in Central Asia. Beijing is already the region's largest trading and investment partner, increasingly making the tiny regional economies revolve as satellites around the "Middle Kingdom." Moreover, its global economic expansion resting on Central Asia is yet to result in its overwhelmingly dominant position in the region, despite Russia's attempts to lock in the regional republics within the EU and keep China out. Beijing is up to the challenge, proposing in early-2015 to create a free trade zone with the union. As Beijing's cultivates its economic partnerships with Central Asian states, it is likely to significantly upgrade existing or spearhead the creation of a new multilateral regional body focused on trade and investment, with or without Russia's participation. China's growing economic footprint would make other attributes of its projected regional predominance more pronounced, consolidating them into a multifaceted regional hegemony. In China's eyes, a modernization rests on building "comprehensive power" as a distinguishing trait of previous empires, which had developed and prospered because they managed to attain power and influence in numerous domains.[158]

Before it comes to it, China has a long list of things to accomplish. While it is a growing and influential actor, at this stage it remains a "partial power," projecting global influence only on trade, energy, commodities, real estate, luxury goods, and cyber hacking. First and foremost, China would need to address economic, social, and environmental challenges that impede its rise. It would also need to cultivate allies to lead in the global order. As Professor Zhu Feng at Peking University noted, "China is a rising, but a lonely power."[159] China may have a vision for the world, but it is still figuring out its contours and how to achieve it. The regional states and their partners therefore still have the time to shape dynamics and outcomes involving China's rise.

Indigenous Responses to Regional Change.

The potential emergence and extent of China's multifaceted hegemony depends on the resistance that the local countries and extraregional players put up to meet the challenge. While regional agendas of external players are a dominant component shaping Central Asia's evolution, it is the "game by the indigenous actors—even if often passive—that will be monumental in influencing the direction of Central Asia and the extent of China's regional influence. Overall, the Central Asian republics are weak economically and unstable politically due to their authoritarian systems of governance, which makes them less resourceful and less stable agents of geopolitical change. All of them would like to be subjects rather than objects in global affairs amidst geo-economic and geo-political forces sweeping through Central Asia. But instead of embracing openness and channeling it for long-term

development and consolidation as full-fledged modern actors, the Central Asian regimes largely shun it to preserve their hold on power.

Besides addressing domestic challenges as they relate to democratization of their political and economic systems, the Central Asian states need to carefully approach the issue of engaging external powers. On the one hand, by overengaging them, the regional republics may undermine their independence. On the other hand, by underengaging these actors as rising and status quo powers, they may miss the momentum of development and continue to largely serve external agendas. The best way for the Central Asian states to benefit from the ongoing transformation of the region's geopolitics, to enhance their development and sovereignty, and to prevent or mitigate a potential multifaceted hegemony in the region by China, is to promote internal reforms, advance diversification of external ties, and undertake multilateral intra- and extraregional integration.

So far, Kazakhstan has been the most successful in these areas. Its economy is larger than the four economies of the rest of the Central Asian states combined. Economic liberalization has enabled it to attract more than U.S.$180 billion in FDI since 1991. It has pursued a more stable multivector foreign policy, has long held a vision for Central Asia as an integrated region, and could emerge as its political leader in the longer term. Under the leadership of long-time President Nursultan Nazarbaev, Kazakhstan has actively proposed and supported Central Asian integration, including the original idea of an Eurasian union. However, Astana's efforts have largely failed due to the newly-found independence of the republics, resentments, and rivalries.

Kazakhstan's relationship with China is extensive, but is also balanced by Astana's relatively successfully multivector foreign policy. China is Kazakhstan's largest trade partner, with the parties planning to increase bilateral trade to U.S.$40 billion. In January 2015, they reached a preliminary deal to cooperate on projects worth U.S.$50-60 billion and now consider doing trade using national currencies.[160] But as a neighbor, Kazakhstan is uneasy about China's growing demographic and investment profile in its energy sector as well as China's extensive use of water resources in neighboring Xingjian for oil field development that threaten the regional environment and strain Kazakhstan's water resources.[161] Kazakhstan's leverage vis-à-vis China comes down to its massive energy resources, expanding transit potential, and strategic partnerships with other powers, especially Russia. In the years ahead, its biggest policy challenges are to ensure a peaceful and mutually beneficial co-existence of Russia and China in Kazakhstan and Central Asia, as well as promoting economic diversification and political liberalization at home. The issue of leadership transition (Nazarbaev is going to be 75 in July 2015) is going to be critical, given the need to either preserve or improve the current course of the country's grand strategy.

Unlike Kazakhstan, Uzbekistan has not fully leveraged its geopolitical position as the center of the region bordering all the Central Asian states plus Afghanistan. While its state-led economy grew rapidly in recent years, it has been relatively isolated from the regional markets, displayed major inefficiencies, and shunned intraregional integration initiatives proposed by actors inside and outside Central Asia. The regime of the long-time President Islam Karimov

knows that economic liberalization is key to addressing the country's development challenges but, as with other countries in the region, overlooks it to preserve its hold on power. In foreign policy, Uzbekistan has skillfully deflected pressure from Russia by suspending its CSTO membership, avoiding Moscow-led integration projects, briefly "flirting" with Washington, and looking east to Beijing.

But Tashkent has also earned a reputation of an unstable partner after evicting the U.S. base in 2005 and suspending CSTO membership. That said, China is happy to accommodate the unruly Tashkent, as it seeks to expand its regional stake. China now is Uzbekistan's largest investor in the transit sector and the second-largest trade partner.[162] To balance China's growing presence in the national economy, Tashkent has looked to Southeast Asian countries, specifically Japan, South Korea, and Malaysia.[163] Maintaining stability given the looming leadership transition (Karimov is 77 years old) and opening up its economy, including for neighbors, are major imperatives for unleashing a more dynamic regional role for Uzbekistan, especially given the growing strategic importance of Central Asia as a primary transit zone across Eurasia. A more dynamic, but regional, role by Tashkent would better help it preserve its independent course, while enabling Tashkent to unleash a more active economic force in the broader region.

Uzbekistan's neighbor, Turkmenistan has been slowly opening up after the death of former President Saparmurat Niyazov in 2006. But it has a long way to go before its reforms assume any signs of even moderate economic and political liberalization. Under the new President, Gurbanguly Berdimuhamedow, it has markedly moved from a dormant foreign policy

to actively "neutral" foreign policy. It still adheres to "neutrality" in foreign affairs, avoiding post-Soviet economic and collective security institutions in the region at all cost. But it has effectively leveraged its energy resources to advance ties with China, Iran, the EU, and India, undermining Moscow's grip on its energy resources and, by implication, Kremlin's influence on its foreign policy course.[164] Until 2009 Russia had been Turkmenistan's major energy partner, but today this role belongs to China—a development that now increasingly prompts Ashgabat to look to India and the EU to balance Beijing. China has also become Turkmenistan's largest trading partner. Ashgabat's dynamic role hinges on the pursuit of much-needed economic and political reforms as well as diversification of its gas and cotton exports-dependent economy.

Kyrgyzstan is by far the least authoritarian state in Central Asia and, in the long run, may emerge as the first democratic state in the broader region after Mongolia. Two of its former strongmen, Askar Akayev and Kurmanbek Bakiyev are no longer presidents, having been forced to flee to Russia and Belarus following anti-government protests in 2005 and 2010. Despite the struggle of factions over power being a cause of the protests, the cases show a wider room for popular participation and political mobilization, a scenario deemed unthinkable in neighboring countries. Kyrgyzstan also has a relatively vibrant and open political and media environment. The incumbent President Almazbek Atambayev succeeded the country's first-ever female president, Roza Otunbayeva in 2011. But any democratization successes in the country have been accompanied by poor economic performance and instability. Kyrgyzstan is one of the poorest republics in the region, with no major resources. Suffering

from uneven economic development, it has struggled to preserve social stability, as the inter-ethnic clashes revealed in 2010.

Bordering China, Kyrgyzstan is in a unique position to leverage the rise of China to advance its economic development while seeking political and security reassurances from Russia and the United States. China has growing investments in Kyrgyzstan and Tajikistan's mining sectors, looks to import their electricity to meet the growing demand in Xingjian, expand the use of agricultural lands, and has either started or considers building refineries in both countries, which should alleviate these countries' dependence on fuel from Russia.[165] Going forward, Bishkek should lean on external parties to develop east-west and north-south connections to ensure a more even economic development. It should also seek to retain its role as a re-export post for China but necessarily start building a new role as an intraregional trade conduit for Central Asian states and India. It should thus look **beyond** Russia and China when participating in initiatives proposed by regional and external players. All these measures should ensure it does not become a tiny satellite orbiting the second largest planet in the galaxy next door, also known as China.

Of all countries in Central Asia, Tajikistan faces the most severe political, economic, and security challenges. It suffers from the legacy of the civil war in the 1990s, with authorities unable to uproot Islamic radicalization and consolidate control over parts of the country dominated by Islamist militants and remnants of opposition. Led by Emomali Rahmon since the collapse of the Soviet Union, Tajikistan is known for a tightly controlled political system that has marginalized opposition groups and contributed to the

Islamic radicalization and emergence of the only Islamic party in the region. Authorities have also failed to resuscitate its relatively isolated economy overly dependent on aluminum and cotton exports and ever-expanding drug flows from neighboring Afghanistan. The downstream Uzbekistan has occasionally imposed transport blockades on Tajikistan, impeding the import of construction materials intended for the construction of water dams and thereby contributing to the isolation of the country's economy. Dushanbe looks to China, Iran, and Afghanistan to break the isolation, in part by expanding electricity exports and seeking to position itself as a transit corridor along the southern edge of Central Asia. As far as its security ties, Dushanbe largely relies on Russia, which has a base in Tajikistan, for security of its southern perimeter, military assistance, and security guarantees.

As a country bordering China and Afghanistan, Tajikistan could benefit from policies of these actors seeking to enhance interregional connectivity. It especially looks to China to develop its transit infrastructure—a major imperative considering the currently low level of trade between China and Tajikistan and the related potential for the two countries to bring their economic relationship to new heights. As one Tajik soldier remarked, "We border China and Afghanistan, not Russia anymore. Without these roads the Chinese are building, we couldn't even get around our own country."[166] To better take advantage of external and domestic opportunities for the purposes of coping with its economic and security challenges, Tajikistan would need to improve public institutions, curb narco-trafficking, reduce corruption, diversify the economy, improve relations with Uzbekistan, and pursue trade links with India, Pakistan, Afghanistan, and Iran.

Cooperation with China is key for more rapid development of all the regional countries, which looks forward to maximizing related benefits by pursuing infrastructure development and trade cooperation with Beijing without compromising—to an extent possible—their territorial integrity and independence. But despite these benefits, all the Central Asian states resent Han migration, inundation of cheap Chinese products that drive out local businesses, and China's overall economic expansion.[167] Of the Central Asian states, Tajikistan and Kyrgyzstan are especially vulnerable. Unlike Kazakhstan, Turkmenistan, and Uzbekistan, which either do not border China or have pursued more independent foreign policies, Kyrgyzstan and Tajikistan in the future might have to substitute Russia as their security and economic protector from China.[168]

The Central Asian states may attain a number of benefits from their existing or potential memberships and participation in the EU or the "belt" initiative. But these benefits would be larger and the negatives would be fewer if they learned to turn to one another rather than look beyond each other. Harnessing regional change is not easy for these small actors, not when the big players are in large part driving the change and impacting the evolution of the region. Only by standing together—creating an intraregional platform of genuine cooperation—will they achieve more security and prosperity in the face of external pressures exerted by established and aspiring powers. The Central Asian states should leverage the regional designs of these actors to build this platform, but they should be cautious not to give up too much for too little. Deepening cooperation with actors situated outside Central Asia, such as India and the United States,

will remain critical for the regional capitals. Advancing ties with these relatively distant balancers will enable them to survive the global power shifts and the age of the rising powers.

CHAPTER III

ADVANCING U.S. "PIVOT TO EURASIA"

> If we shrink from the hard contests where men must win at hazard of their lives and at the risk of all they hold dear, then the bolder and stronger peoples will pass us by and will win for themselves the domination of the world.
>
> Theodore Roosevelt[169]

The United States need not, as some fear, leave its fate to "chance and globalization."[170] China's possible replacement of the United States as the strongest power requires that Washington apply more effort to steer the global system and its relations with key partners to ensure that: 1) this scenario does not happen; or 2) it unfolds peacefully. The reliance on the military will be important to the U.S. primacy, but the overall appeal and effectiveness of the military in retaining and promoting global influence has been declining. As Geoff Dyer aptly stated:

> The most influential state will be the one that is best at setting agendas, mobilizing support, and which comes across as the more reasonable. . . . A quest for continued military dominance will not do the trick: Washington needs to enlist new partners.[171]

The United States and its allies should therefore initiate a "structural adjustment to globalization,"[172] focusing on revitalization of their economies and adjustment of the global economic and security architecture in concert. The domestic economies lack competitiveness, while the post-World War II archi-

tecture requires the involvement of aspiring powers to sustain itself and the position of the United States as a leading actor of the international system: As Parag Khanna observed:

> without a new division of labor, Western institutions will diminish with America's power, leaving only classic geopolitical competition without even the veneer of diplomatic coordination. If the superpowers do not choose adaptation over fundamentalism, they will miss a chance to keep history permanently in the past.[173]

Because of Central Asia's centrality to the U.S. mission to shape the global order, the United States should launch another pivot, this time to Eurasia, by boosting its long-term military and economic engagement in the region and partnering with other actors in ensuring a peaceful rise of China, and safe evolution of the regional and global security and economic orders. Pursuing a regional policy that is not hostage to reactions from Russia or China and increasing direct cooperation with individual republics is the most effective way of shoring up U.S. regional influence and sending a message to the regional states and external parties about U.S. interest and commitment to the development and stability of the region in the coming decades. This need is becoming greater by the year due to rapid emergence of China as the leading economic force in Central Asia and its projected ascendance as a major regional military power, as well.

The conflicts in Ukraine and South China Sea have accentuated the need for Washington to reinforce its support for allies and partners in the post-Soviet space and East Asia. They have also demonstrated a need for its allies to assume a greater share of responsibility

for collective defense by relieving the global U.S. military burden. This imperative is acute, given the rise of potential military challengers, internal and external opposition to overseas U.S. military presence, and projected cuts in U.S. defense spending. Washington should encourage its allies to contribute a larger share of resources for their own defense, NATO, and protection of global commons. This would help the United States save resources and focus on military deployment, either planned or in response to conflicts, in areas that are critical to its interests but that are lacking adequate security infrastructure for such deployment, as is the case in Central Asia.[174] The military component of cooperation with allies should go in parallel with joint economic efforts to promote development and safe integration of Central Asia into the global economy.

The U.S. role as a balancing force from a distance is a welcome tool for the Central Asian states seeking to strengthen their independence. But the Central Asian republics, among others in the broader region, may choose accommodation and bandwagoning to deal with the rising China.[175] This could be the case if these actors had no committed partners to balance Beijing. Hence, it is important that the U.S. regional influence is palpable, direct, and extended, enabling it to build solid and deep connections with individual Central Asian states. In the succeeding pages are recommendations—presented as components of the proposed U.S. "Pivot to Eurasia"—for the United States to steer the geopolitics of Central Asia in order to ensure a leading global position of Washington for decades to come and evolution of stable global order amid the rise of China.

Boosting Military Engagement in the Region.

On the military front, Washington must ensure it builds on the legacy of its military presence in the region and takes its withdrawal from Afghanistan as an opportunity to devise a more Central Asia-specific military policy in Eurasia that would ensure a long-term U.S. regional military presence. The United States is unlikely to secure a heavy or permanent military presence in the region any time soon given the objections of Russia, China, Iran, and some elites in Central Asian countries. Any such presence could contribute to the militarization of an arms race in the greater region bordering four nuclear-armed powers (potentially five if Iran "goes nuclear"). But the United States must have a military role and presence sufficient to discourage attempts at military domination and protect the region's push for inclusion into the global economy, while retaining flexibility to choose whether to intervene in any particular situation or conflict in the region.

The military policy should focus on: 1) continuing to support counterterrorism, anti-drug trafficking, and special operations capabilities of the regional states as ends in themselves and as a platform for more substantive military cooperation in the future; 2) arranging for temporary and permanent basing rights; 3) advancing reforms of local armed forces and interoperability as part of NATO PfPs and bilateral ties; 4) boosting military-to-military and civilian-to-civilian contacts and cooperation in the area of defense and emergency management through education programs and military exercises; 5) capitalizing on the NDN achievements to promote partnerships; 6) preventing further militarization and arms race, especially

in the Caspian to the west and the Fergana Valley to the south; 7) encouraging indigenous approaches to managing collective security and related institution building as pillars of regional and global stability; 8) cultivating ally and partner military ties with all major players for confidence-building purposes and contingencies that may require a joint military action in support of U.S. security interests.

Washington should use some of the resources freed up after the disengagement from Afghanistan toward building more sustained military-to-military and civilian-to-civilian partnerships and institutions with regional counterparts. This imperative is critical because the U.S. withdrawal is expected to undercut the already low-level of military and nonmilitary aid to Central and South Asian states and undermine the perceived importance of the broader region for U.S. security interests, policymakers, strategic planners, and even U.S. allies and partners. Washington should see it through with its Central Asia Counternarcotics Initiative and create new or significantly enhance its present military and security institutions with the Central Asian states. Building a web of institutions in military and security area is critical to ensure U.S. long-term position in the region and its ability to prevent or mitigate swings in foreign policy by the regional capitals.

While it is inevitable that the United States would deepen its military ties with select Central Asian countries, it should advance its partnerships with all the regional states and in a way that builds multilateral, intraregional initiatives, relationships, and dynamics. This is critical as Washington seeks to promote win-win outcomes as part of the NSRS and prevent regional militarization. The U.S. military role should culti-

vate a durable and long-term institutional security infrastructure by fostering multilateral partnerships with countries in and outside the region, encouraging the regional states to pursue collective solutions to the management of common security challenges. External rivalries and intraregional conflicts without a durable institutional framework in place (not imposed, but inclusive and collective) is a recipe for disaster of continental proportions, which the U.S. military policy should seek to avoid.

Upgrading U.S. New Silk Road Initiative.

The lack of commitment to the NSRS by Washington reveals a low priority the United States assigns to the region, regardless of theoretical arguments that otherwise require a deeper and more substantive U.S. engagement in Central Asia. While sustaining a military role in the region is important to ensure a more seamless integration of Central and South Asia into the global economy, having no substantial economic stake in the region puts the United States at a disadvantage in its nascent but increasingly important strategic relationships with Central Asian states.

The United States needs to support the engagement of American and Western businesses; enhance investments; encourage diversification of energy, trade, and transit links; and advance reforms to boost the region's economic development potential. Providing economic aid will remain crucial, but helping advance institutional capacity and private sector engagement should form a durable, long-term, and self-sustaining approach to regional development. If it decides to treat the NSRS as its long-term economic strategy, it should focus on the following points.

First, Washington needs to pursue a more concerted effort to realize the vision of the NSRS, which requires more financial resources, commitment, leadership, and coordination. Instead of just "cobbling together existing programs"—as was reportedly the case—and allocating real funding for the initiative—which reportedly was not done—the United States should come up with financial resources to implement existing and new projects.[176] Actors view the NSRS as a substitute for the military disengagement from Afghanistan, but do not find it resourceful, especially as the military pullout threatens to undermine the NDN-generated business activity.

Second, Washington should develop a "software" component of the NSRS with a view to improve the business climate and expand international economic flows of the regional countries. This entails reducing tariff and nontariff trade barriers as part of Trade and Investment Framework Agreements framework, which should be closely integrated with the NSRS, and working with development and financial institutions, nongovernmental organizations and the WTO. Improving governance and transparency would be key to reduce corruption and promote efficient economies and accountable governments in the region. As part of the "hardware" component of the NSRS, Washington should provide more direct support to TAPI and CASA-1000, as well as allocate funding for specific energy, trade, and transit regional and interregional infrastructure projects. The U.S. direct engagement will be a signal for other actors who may be interested in such projects but have security concerns to participate in them.

Finally, just as it promotes free trade and other economics agreements and partnerships with Asian and

European nations, Washington should spearhead such arrangements in and with Central and South Asian states as a way to lock in its long-term economic presence. The institutionalization of its economic presence would project an image of the United States as a more committed and reliable partner. It would also provide additional incentives to nurture direct U.S. economic engagement with the Central Asian economies for the longer haul, while providing options for the regional states to lessen their economic dependence on China and Russia. The current NSRS does not achieve this for the aforementioned reasons. It also does not have a strong institutional underpinning as far as the responses and participation of individual Central Asian countries or the region as a collective body are concerned. Addressing these deficiencies would substantially enhance the U.S. economic presence in the region, either as part of a revitalized NSRS or a new initiative, but necessarily in the framework of the U.S. "Pivot to Eurasia."

Advancing Cooperation with Key Partners.

On the western flank of Central Asia, Washington should encourage the EU to play a more assertive role in the security sphere, including through NATO PfP programs and bilateral relations of its members. A possible full military withdrawal by the United States from Afghanistan and the region only accentuates this objective. Engaging the EU and its member-states would help the United States deflect otherwise more vocal opposition from China and Russia to increased military collaboration between NATO states and Central Asian countries. It would also help Washington reduce costs associated with its global military burden

and contribute to any security arrangements that will be in place in the region after the withdrawal from Afghanistan. From border management to conflict prevention, the EU's regional engagement is critical for Washington. The U.S diplomacy should do a better job persuading the EU to assume an expanded regional security role. The Russian-Georgian War and the war in Ukraine, which occurred on the EU's doorstep, and the possibility of an interstate conflict in Central Asia, provide sufficient grounds for developing and pursuing a more active security role by the EU.

Both Washington and Brussels should also significantly increase their economic presence in the region. Besides being one of the region's largest trade partners, the EU is a source of substantial development assistance in a wide range of areas important for economic and political development of the regional republics. While the development of Central Asia's energy resources to enhance the European energy security should remain a paramount objective of the U.S.-EU regional engagement, Washington and Brussels should take long-term policy precautions in light of the growing regional energy profiles of China and India, which are already diverting energy resources in substantially larger volumes than anticipated and in a way that may fully sideline Russia and the EU as the region's main energy partners. Replacing one dominant energy actor in the region with another is not a solution; developing a multivector orientation of the regional capitals is. This is a key to the future of Central Asia as an integrated region of free states. Washington and Brussels should be more creative in advancing regional integration and developing the westward vector of the region's energy, trade, and transit development.

Both the United States and the EU need to be more patient and flexible with conditions for political and economic liberalization when engaging the regional counterparts. The regional presence and heavy security and state-led economic roles of authoritarian Russia and China require a more integrated approach to regional democratization. Washington and Brussels should join forces and emphasize China's and Russia's opaque approaches to economic cooperation, while promoting fair standards of conducting business relations.[177] A more integrated democratization agenda would enhance U.S. efforts aimed at advancing transparent governments and open societies in Central Asian countries, which require profound economic and political reforms to become full-fledged and peaceful multi-ethnic states. Finally, both should consider using the EU experience with regional integration and governance, which in some respects could serve a model for the region[178]when promoting intra-regional institutional development.

On the northern flank, Washington has no other way but to engage Russia given China's regional designs and the possibility of confrontation emerging between Moscow and Beijing over influence in Central Asia decades ahead. While it should not overlook Russia's imperial advances in the region, it should pursue a more nuanced and delicate approach to Moscow's initiatives and agenda that may serve U.S. interests of preventing a global domination by Beijing and providing more breathing space for Central Asian republics. Some portray Russia as the "ultimate swing state" in the future struggle over primacy in Eurasia, making bets on whether NATO, CSTO, or the SCO will have an upper hand in Central Asia. It is not inconceivable that the time will come when the United

States will have to repeat the historic moment of opening up China with Russia in order to save Moscow and itself from Beijing's global domination.[179] Of course, the United States should have no illusions about Russia's own goals. However, if the current development trajectories of great and aspiring powers hold, Russia may be lucky to have Washington as a partner in shaping the evolution of what may well become a post-Russian space.

In the meantime, cooperating with Russia as the major regional security actor is important for the United States in order to ensure regional stability, and the United States should continue advancing cooperation in counterterrorism, anti-drug trafficking, and counterproliferation, while starting to promote confidence-building measures as part of a broader regional security agenda due to the rise of China. Advancing cooperation on these issues—necessarily in the context of implications brought about by the rise of China in Central Asia—will gradually help build mutual confidence and allow Washington to pursue policies toward Central Asia that are not hostage to Russia's objections or interference. On the economic front, Washington should seek to shape Russia's participation in regional projects promoting north-south or south-north connectivity, provided such participation involves multilateral cooperation and is as less politicized, imposing, and one-dimensional as possible. In the current climate of strained ties, doing so may be more difficult than anticipated despite long-term trends suggesting more room for a more constructive partnership between the United States and Russia. Moscow views Washington as a spoiler after a decade of war in Afghanistan that has left behind instability and security risks in the form of expand-

ed drug trafficking, refugee flows, and cross-border militancy. Russia also objects to the U.S. Central Asia Counternarcotics Initiative, viewing it as a tool to augment U.S. regional military presence in Central Asia and gather military intelligence on CSTO members.[180]

On the southern flank, the United States should develop a long-term partnership with India, especially as it concerns Central Asia's evolution. For both Washington and Delhi, reconnecting Central and South Asia is imperative because it would boost India's energy deficit-stricken economy, ensure the development of Afghanistan, strengthen India's position relative to China, and promote India's expanding trade via Central Asia to European and Middle Eastern markets. India's rise is set to expand Central Asia's southward vectors of connectivity. With time, the Central Asian states will seek to deflect the pressure from the east (China) by cultivating closer ties with India, as they pursue an efficient and secure way of connecting with the world. But Delhi is a relative latecomer to the renewed version of the "Great Game" unfolding in Central Asia, making it imperative for the United States to develop and pursue with India a more robust, direct, integrated, and long-term strategy of engagement focused on the region. The U.S. role will be critical for expanding Delhi's regional presence given similarity of regional goals expressed in the Indian "connect" policy and the U.S. NSRS, as we all have their shared apprehension about Russia's and China's dominant military and economic positions.

India is further an important military and economic partner for Washington in rebuilding Afghanistan and could become a major partner in managing China's rise on both the land and the high seas. It can be a greater source of counterterrorism capabilities for

Central and South Asian states. Its democratic political tradition and economic success as a developing nation is an asset, which both Delhi and Washington should utilize to improve regional political and economic systems. While emerging slowly, India's regional economic presence is set to grow considerably over the next decades if India's upward growth dynamics do not falter. India's involvement in the region would be pronounced in the energy sphere if TAPI, CASA-1000, and other interregional projects materialized and expanded. The substantial presence of Russia and China in Central Asia, the uncertainty surrounding the war in Afghanistan, and the region's potential to serve as a transcontinental trade, energy, and transit hub point to the benefits of the United States and India working together to advance development and stability in the broader region.

On the eastern flank of Central Asia, the U.S. engagement with China will be critical for the future of Central Asia and the long-term positions of both powers. This engagement—already the most critical of all bilateral relationships—is set to grow in importance as China's interests spread globally and interact with the interests of the still strongest power. The United States should start pursuing a memorandum of understanding with China on Beijing's growing presence in Central Asia. This memorandum should serve as a component of its overarching memorandum regarding China's global rise and must not compromise the sovereignty of the Central Asian states. In the process, the United States should be guided by the need to manage China's rise on two major flanks: the east and the west. While it launched the "pivot" to the Pacific to do the job in the east, it failed to initiate a credible "pivot" to Central Asia to do so in the west. Instead,

it is pursuing a "U-turn" given its plans to withdraw from Afghanistan.

If Washington views the NSRS as part of the proposed "pivot" to the region, it should ensure that the initiative rests on a solid commitment, sufficient resources, and worked-out mechanisms of interaction with China's "belt" initiative. Otherwise, the NSRS may become a smart concept that China is implementing in practice. As it considers a credible "pivot" to Central Asia, Washington should assess the merits of promoting a consortium of connectivity initiatives promoted by all external players and necessarily supported by the Central Asian states. It should thus closely watch China's proposal for a free trade zone with the EU because China is seeking an intraregional trade zone based on local currency convertibility, which would accelerate the internationalization of Chinese currency and conflict with the U.S. trade policy based on convertibility of local currencies to an international standard, such as the U.S. dollar.[181] In the security field, the United States should seek ways of cooperating with the SCO to advance regional stability[182] and prepare the ground for likely regional military expansion by China.

Cooperating with China is absolutely critical for the global stability and the future of the broader region, given Beijing's rapidly growing economic presence; expanding global trade profile; and the need for the United States to encourage China-led energy, trade, and transit connections in all directions to shrink Central Asia's connectivity gap and enhance regional development. China's economic role is also important for the evolution of Afghanistan and Pakistan. China's growing investment in the countries is important for the long-term stability, development, and integration

within and between Central and South Asia. As part of its engagement with China, Washington should encourage Beijing's push for advancing Central and South Asia's connectivity with the global economy. But just as in the case with Russia, the United States should discourage any of Beijing's attempts at economic and military domination in the region and promote, to the extent possible, the economic and security engagement of Central Asian actors with actors as diverse as India, Turkey, and, with time, even Iran. This would provide Central Asian states with more options for advancing development and stability and for maneuvering on the global stage.

Shaping China's Global Ascendance.

Washington should approach the objective of shaping China's rise with a particular attention. China's experiment, if unsuccessful, would have disastrous consequences for the entire world, including the United States itself. Unlike the Soviet Union then, China today is integrated with the global system, and its success is closely linked with the success of the global economy and projected global economic convergence. Implosion of China could well usher in the age of disunity and encroachments on China's sovereignty[183] and increased risk of collisions among great powers that could cause collateral and permanent damage for small states—a scenario all too familiar to history. The mission of the U.S. statecraft vis-à-vis China is as simple as it is complex; supporting conditions for a peaceful rise of China that would not threaten U.S. fundamental interests of leading the global order and protecting the global commons.

A subtext of this mission is the need for the United States to ensure a smooth power transition from the "West to the Rest." Ideally, this power shift would see China emerge as a democratic and prosperous nation working in partnership with the United States and its partners in leading the global security and economic order. Washington should start pondering formulas enabling China and India to participate in the management of global order today.[184] The earlier it starts, the better. If China succeeded in becoming the strongest power without Washington shaping China's rise in process, the consequences for the U.S. global standing would be disastrous.

While both the United States and China are integrated economically, they have different goals, interests, and views on global affairs. What they need is a solid platform of bilateral engagement to help cultivate "strategic trust," common objectives, and shared interests.[185] Such a platform would need to ensure that the parties eventually reach the stage of comfortably discussing and addressing respective concerns about interference in internal affairs and lack of democratization. The United States should seek to institutionalize its relationship with China early on as part of an overarching memorandum with Beijing, perhaps by giving a chance to the proposed G-2 model or working on global warming challenges before plunging to other, more sensitive areas.[186]

This is critical because Chinese leaders are often silent on the question of what China wants, what strategies it seeks, what alternatives it offers, and what it envisions its global and regional role and presence to be.[187] On this issue, the United States should encourage a transparent dialogue with China, making Beijing more vocal and clear about its priorities. This would

allow Washington to hold Beijing accountable to a proclaimed policy direction and help Beijing cultivate for itself a responsible role in world affairs seeking win-win outcomes. Pursuing the institutionalization of this relationship by spearheading multilateral structures involving both parties could serve as a precursor to the emergence of such a platform in the future.

As it pursues this goal, the United States should pay attention to the "normative dimension of China's integration" into the global economic and security system, an integration that remains "limited" despite Beijing's growing global footprint. This means more training, education, and capacity-building programs aimed at developing common understanding of the rules of the game.[188] These rules inevitably concern the domestic political situation in both countries, and the United States should continue efforts aimed at advancing democratization of China. As 2010 Chinese Nobel Peace Prize winner Liu Xiabao stated on the issue of governance in China: ". . . We would rather have two mutually balancing devils than one angel with absolute power."[189] A change in the political system, decades after successful changes to the country's economic system, would assure the rest of the world about China's peaceful emergence as a great power. As Henry Kissinger observed, ". . . peace with China is less a matter of strategy than of change in Chinese governance."[190] The United States should closely work with a fifth generation of Chinese leaders since the creation of the People's Republic of China, who were not exposed to Mao's Cultural Revolution and are enjoying the benefits of a rapidly-modernizing China.[191] But Washington should be under no illusion that a democratized China may emerge as a much more formidable power in economic and military terms than an authoritarian China could ever be.[192]

Finally, Washington should engage as many partners as possible in shaping China's rise. The key relationships in this regard are with India in South Asia, Russia in Central Asia, Japan in East Asia, and the EU in the Caspian. In case of improved ties with Iran in the years or decades ahead, Washington should find in Tehran an important pillar of its regional policy vis-à-vis China. The idea behind such multilateral cooperation on the issue of China's rise is not to punish, isolate, or contain Beijing. Rather, the goal is to engage China on multiple fronts to make its stake in this ever-expanding web of relationships more obvious, precious, and self-sustaining. This would demonstrate the importance of China to the global stability and the importance of global stability to China's evolution as a great power. If Beijing indeed seeks a peaceful development and is adamant about its ability to rewrite history by ensuring a peaceful power transition, it should be willing to pursue some form of accommodation vis-à-vis the "ruler" and the "rules of the game." Whether China does emerge as a global power in all dimensions, of course, remains to be seen.

CONCLUSION

If China Succeeds or Fails: The Future of Economic and Security Order in Central Asia.

China's rise has prompted some to quip that "BC" and "AC" should now represent the period of history **before** China and the period of history **after** China, and that the year 1978 when China undertook reform should mark "the great watershed" separating the two eras.[193] China already once was the largest economy in the 19th century. Attaining this position again in the 21st century should not be new to Beijing. Chinese leadership views the country's rise as enabling Beijing to reclaim its status of a great and central power. Productive capacity of any aspiring great power is instrumental for becoming a great power in all dimensions and projecting a global hegemony, with the United States representing the latest, although probably not the last, example of a great power harnessing its economic capacity for purposes of alleged global expansion. If there is another state close to repeating this experience any time soon, it is China.[194] In a reversal of its centuries-long tradition, China today significantly relies on the external system of economic relations to facilitate its internal development and is profoundly integrated with the global economic system. Rather than viewing the system as a threat, China has embraced it, catapulting itself into the ranks of fastest-growing economies and being poised to overtake the U.S. economy in terms of total GDP in the next few years and in terms of GDP per capita by about 2050.

China's ongoing emergence as a global power has questioned the position of the United States as the strongest power and the future of the Washington-led global security and economic order. But achieving the

status of a truly global actor welding influence in all dimensions of power would require China, among other things, to leverage its regional influence in Central Asia—a region representing its western leg of economic expansion and development, which is assuming a growing strategic importance for Beijing. It is also a region that should be of greater importance to Washington seeking to preserve its leading position in the international system and ensure China's peaceful integration in the global political, security, and economic architecture.

Viewed in this light, the question of future economic and security order in Central Asia is of paramount importance to global stability. The region is experiencing constantly shifting "push-pull" forces exerted by external powers, which advance agendas often conflicting with those of other powers or the views of the Central Asian states, increasing the risk of regional or global conflicts. Russia "pulls" the region north; the EU, west; the United States, west and south; India, south; and China, east. While none of them yet wield an overwhelming influence across all categories of power, it is China that is already projecting the strongest economic presence and has the potential to build "comprehensive influence" (economic, cultural, political, and military).

We cannot know what China's hegemony will look like. China is silent on its vision for the world or the region, let alone its potential hegemony that it claims it does not seek. In the early-1990s, Chinese leadership warned against assuming leadership in global affairs and show restraint for fear of threatening other actors and its own development. But Beijing has gradually been shedding off this guideline as its economic profile has been consistently on the rise.[195] If it came to pass, China's regional hegemony would probably rest

on an overwhelmingly strong economic, demographic, and cultural presence. The philosophical underpinnings of China's hegemony would draw on the mix of China's modernity with contemporary and universal characteristics and its rich Confucius tradition and the tributary system that emphasizes Chinese superiority over the "barbarians." The net effect would be a more enhanced economic development of the regional states, which are connected to the global system through China as its most dynamic center of economic activity, but are also subordinate to China's economic and cultural paradigm. The regional states would lose their political and economic independence, while preserving their territory and struggling to retain their rapidly changing cultural make-up.

While China is also likely to expand its military influence in the region, including by establishing military bases, depots, and logistics centers, it is unlikely to project its hegemony through territorial expansion or acquisition by force. The presence of other actors, the existence of nuclear weapons in the hands of its strategic rivals, and the changing nature of power in the 21st century conditions would work against this scenario or, at a minimum, constrain China's use of the military in the region as an occupying force. These factors, however, leave the possibility of China using force to seize parts of Central Asia to repel aggression against its own territory, protect its threatened economic assets, and pursue militants in case of state failure in the region.

Other scenarios are also possible. If it attained the status of the world's strongest economic and military power, China could display an even more assertive stance in foreign affairs. It has already started doing that in Asia vis-à-vis Vietnam, Japan, and the Phil-

ippines, drawing on both the reality and perception of its growing national strength. A collision with the United States, for example, could spark proxy wars, with Washington and Beijing supporting respective parties[196]—a situation that would almost surely involve Central Asia. As Russia before it, China may well seek to cave out for itself a zone of special influence in Central Asia. Or, as it had itself done earlier, China could simply devour the tiny republics through enhanced Han migration, economic flows, and military expansion, essentially subjugating the region. On the other hand, the region's economic and security order under a China's hegemony need not be bloody or rest on China's military subjugation or domination. China already surprised the world with its impressive, decades-long economic growth, and may do so again if its follows through on its declaration to ensure a peaceful transition of power by way of its peaceful development. Viewed through this prism, China's global and regional hegemony may turn out to be benevolent and conducive to continued global and regional economic development and stability, with especially strong benefits for China's neighbors in Central Asia that need to catch up fast with the world.

But China's hegemony may never pass. China faces numerous socio-economic, environmental, and political challenges that could derail or delay its rise to the ranks of global or regional hegemons. The wealth China has amassed has made the internal social dislocations and inequality more pronounced, exposing its economic model and making it vulnerable to external influences. This has prompted some in the leadership to be concerned about China's external engagement and steer it into the direction of an inward-looking country with a strong coercive state apparatus and

"accelerated efforts to develop the capabilities" needed to "control the periphery."[197] More generally, China's economy is in the process of readjustment, which is slowing down its growth rate from double digits in the previous decades to single digits today and years ahead. As a popular observation goes, China will "also get old first before it gets rich." Some therefore argue that China is a "partial" global power that is pursuing an "Empty Fortress" stratagem in Central and South Asia. Specifically, the argument goes, it has been seeking to position itself as a strong and rising power when, in reality, it is facing major challenges constraining its global rise.[198]

Unless it implements profound economic and political reforms, and lessens its vulnerability to "exogenous developments" (e.g., excessive dependence on trade), China may not make it as the global hegemon or a "comprehensively" great power. To translate its "economic weight into power and influence" will require Beijing to embrace the same or similar concepts and modes of operation pursued by the United States,[199] even if with Chinese characteristics. Latest plans unveiled by the leadership indicate that China is already moving in this direction. Beijing seeks to modernize its financial system, enhance labor mobility, reduce corruption, and advance sustainability and governance mechanisms.[200] Once China achieves its "comprehensive national power," it is likely to change its current strategy seeking to tap into external environment to generate internal development.[201] It is at this point that the choice of its strategy toward neighbors and the world will be of paramount importance. How Beijing handles the restive Xingjian will show if Beijing seeks to or will inflame or stabilize the broader Central Asia.

Regardless of whether China's hegemony ultimately emerges in Central Asia, the United States, its partners, and the regional states need to be prepared to face an even more assertive China in the years ahead. This is because Central Asia affords Beijing more room for "offence," given a lower level of "strategy rivalry" in the region than China confronts in East Asia.[202] Washington needs to launch a credible "Pivot to Eurasia" by boosting military engagement, upgrading its NSRS, advancing cooperation with key partners, and shaping China's global ascendance, including in the framework of its relations with Central Asian states. This would mitigate China's possible hegemony and the negative effects of its growing influence on the cultural, economic, political, and military independence of the Central Asian states, helping the United States retain its leading position and role in managing the global order. This is salient because Washington is withdrawing from Central Asia, raising the question on how to shape the region's evolution and geopolitics on terms favorable to the United States. It has done a lot to open China, Central Asia, and South Asia to the outside world. But unless it implements the previously discussed steps, Washington risks forgoing benefits of the region's rise as a connectivity platform in Eurasia and risks losing an opportunity to shape Beijing's rise and the global order out of the region that is becoming of rapidly growing strategic importance to its main partner and challenger—China.

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