Old games, new players: Russia, China and the struggle for mastery in Central Asia

Abstract

Since 9/11 and the 2003 NATO-led invasion of Afghanistan, Central Asia has emerged from the shadows as an area of strategic interest. While different actors — including the US and the EU — have operated in the region during recent years, Russia and China remain the principal contenders for Central Asia's leading role. Russia draws on historical and linguistic ties with the post-Soviet republics, as well as on a substantial military presence on the ground. China, on the other hand, is relentlessly exploiting its economic pre-eminence and flexible bilateral diplomacy as it accesses Central Asian energy resources and markets. Yet China is also keen to avoid regional instabilities that might spillover into its Western provinces — a balancing act that has so far proved successful, although the situation is still evolving. As the EU's influence in Central Asia remains marginal and the US interests are centred on Afghanistan, the rivalry between Russia and China may develop further. With NATO troops scheduled to withdraw from Afghanistan in 2014, the moves of the two powers after that point will determine the outcome of the Central Asian 'great game'.
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1. **Introduction Central Asia: a strategic crossroad**

As the 19th century drew to an end, Central Asia lay caught between two empires at the peak of their powers, facing one other across an immense chessboard stretching from the shores of the Caspian Sea to the heights of Kashmir. To Tsarist Russia, Central Asia represented ground to be conquered and pursued, wrested from a declining Persian Empire and the belligerent but weak Turkmen tribes. To the British Empire, Afghanistan and the small central Asian khanates represented an ideal buffer zone to protect India's northern borders, as well as a safe access to the Persian Gulf. The competition between these two powers — the Russian and the British — has shaped the geopolitical frame of Central Asia for well over a century.

During the past decade, rivalries between great power have again arisen along the ancient Silk Road, though now between different players and with different stakes. The fragmentation of Central Asia into five republics — Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — following the fall of the U.S.S.R. in 1991 has not deprived the region of its strategic importance. With 60 million inhabitants, significant reserves of raw materials such as uranium and hydrocarbons, and a central position between Russia, China, Iran and the Caspian states, Central Asia remains a pivotal crossroads for any power seeking a hegemonic role on this trans-Asian axis. The NATO- and US-led invasion of Afghanistan in October 2001, with the subsequent unrest that developed within and along the country's borders, further amplified the region's geopolitical importance.

Russia and China are natural contenders for mastery, destined for what might be described as 'converging rivalries'. Both states have an interest in preserving a certain degree of stability in the region, curbing the activities of Jihadist and pro-Taliban insurgency and fighting the illicit traffics of drugs and weapons flowing through countries like Tajikistan and Kyrgyzstan. Both Russia and China have come to consider Central Asia a pivotal energy nexus, a transit route that allows Russia to diversify its distribution and China to reach the rich deposits of the Caspian Sea and satisfy its growing energy needs. China and Russia have fostered different regional frameworks, one relying on pre-existing models and one creating new and more adaptable ones, such as the Chinese Shanghai Cooperation Organisation.

Above all, Russia and China are both wary of the involvement of 'third parties' in a region. While Central Asia has historically been the 'backyard' of the first and a land of conquest and opportunities for the latter, a number of new 'interlopers' have recently appeared — among them, the US and the European Union, as well as Turkey, Iran and India. At present, Russia is still recognised as the principal security actor in the Central Asia, but China is gradually overcoming Russia's old hegemony in the economic and energy sectors and is using of its 'soft power' tools to secure strategic alliances in the region. As the withdrawal of the US from Afghanistan looms large and the EU faces a difficult economic
conjecture, the Russian-Chinese rivalry lie at the core of the ‘new great
game’, and its outcome will likely shape the region’s geopolitical leanings
for decades.

2. Bilateral interests and intersecting regionalisms

2.1. Russia’s legacy

By virtue of its historical presence in the region, Russia is destined to ‘play’
defensively and, to a certain extent, see its power eroded by the growing
participation of other actors. However, this does not mean that Russia
does not dispose of tools to maintain a concrete presence in the region.
Since the early 1990s, the country has invested heavily in resources and
ideas to recreate at least part of the cohesion that characterised the
Soviet-dominated Central Asia and to deepen political, security and
economic integration in the region.

Russian has the status of primus inter pares in virtually all of Central Asia's
regional organisations. Chief among these organisations is the
Community of Independent States (CIS), founded in 1991 to gather the
former Soviet Republics east and west of Moscow. Since then, other
regional organisations have evolved under Russian supervision. The
Collective Security Treaty Organisation (CSTO) was created in 2002 to
respond to the new security threats affecting the area in the aftermath of
9/11. While the organisation was formed to provide Central Asian states
better instruments to counter terrorism, border tensions and external
threats, the CSTO also represents Russia's ‘security watchdog’ in the
region and may intervene, if necessary, to curb internal tensions and
destabilising regime changes1.

On an economic level, Russia has also been actively creating Moscow-
centred regional frameworks and fora, such as the Eurasian Economic
Community (EurAsEc), founded in 2000, and the Single Economic Space
(SES), in 2003. The Customs Union between Russia, Belarus and
Kazakhstan, while not totally centred on Central Asia, became active in
2010 and is quickly attracting the interests of Tajikistan and Kyrgyzstan.
The long-term goal of these initiatives is the establishment of a wider
free-trade area covering virtually all of what was once Soviet space — the
‘Eurasian Union’ evoked by Putin in early 20122, an achievement that may
eventually bring Russia major trade benefits in the region.

Alongside these regional tools, Russia can count on a network of
consolidated bilateral alliances, most of which have endured since the

1 Godement, F. ‘The New Great Game in Central Asia’, European Council on
Foreign Relations, September 2011, p. 10
2 Euractiv, Putin promotes Eurasian Union at EU Summit, 5 June 2012
Soviet period. Central Asian resources, such as minerals or hydrocarbons, flow across the region largely through Russian routes and pipelines. Russian state companies own considerable shares in many Central Asian states' industries and enterprises. In the case of Kazakhstan and Uzbekistan, the continuous — albeit declining — presence of Russian minorities and the widespread use of the Russian language as a *lingua franca* among the political and economic elites have also allowed Russia to retain a certain degree of influence and 'soft power'.

2.2. The Chinese 'good neighbourhood'

China's ties with Central Asia date back to the period when the Silk Road constituted the chief commercial, cultural and military route linking the Chinese Empire with Europe and the Middle East. More recently, the fragmentation of Soviet space marked the beginning of China's active involvement in the region. The Chinese strategy is in many regards diametrically opposite to that of Russia. China cannot rely on a powerful 'regional narrative' to aggregate Central Asian states in a multilateral framework; nor is its military, infrastructural and cultural presence as well rooted as the Russian one.

A certain degree of distrust towards China is deeply rooted among Central Asian states, the legacy of decades of Sino-Soviet distrust and centuries of fears about the hegemonic ambitions of the powerful and populous neighbour. These factors have led China to adopt a more nuanced policy towards the region, an approach that runs along the lines of the 'good-neighbourliness' doctrine dear to Chinese post-Cold War diplomacy. To China, Central Asia represents a transit route for its much-needed energy resources, a fast growing market offering opportunities for exports and investments, and a ground for alliances to counter the Western influence in the region. In order to tackle these issues, China has strengthened its bilateral ties with Central Asian countries, providing the country with substantial gains in the economic and commercial spheres. Since the mid-2000s, China has exploited the resources generated by its fast-growing economy to invest substantially in Central Asia, building strong economic relations with Kazakhstan, Kyrgyzstan and Turkmenistan.

When it comes to multilateral policies, China has displayed an equally pragmatic attitude, attempting to build a form of 'soft regionalism' that is less security centred and more openly multilateral than the Russian model. The Shanghai Cooperation Organisation (SCO), formed in 2001 as the continuation of the 1996 'Shanghai Five', can be considered the Chinese answer to the Russian CSTO, albeit more wide ranging in scope. If the containment of the 'three evil forces' (terrorism, ethnic separatism and religious extremism) remains the core of the SCO's objectives, plans

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3 Swanström 'China and Greater Central Asia: new frontiers?', Silk Road Paper, December 2011, p. 35
http://www.silkroadstudies.org/new/docs/silkroadpapers/1112Swanstrom.pdf
for economic and commercial cooperation, energy security and further cultural exchanges have also featured prominently in the latest gatherings of the SCO.

Aware of its position of newcomer in the region and its less strong military presence on the ground than Russia, China is making the best use of its daunting economic resources to secure medium- and long-term advantages. Rather than struggling to create a strong 'regional narrative', the country is pursuing a functional approach in order to achieve a range of selected goals, such as stabilising the Xinjiang-Central Asia borders, securing energy supplies and controlling US and EU penetration in the region. In order to achieve such goals, China has so far avoided a direct confrontation with Russia, instead devoting most of its efforts to bypass the regional hegemon through a careful policy of alliances with Central Asian countries.

2.3. The Central Asian states: Between passivity and pragmatism

While the regional policies of Russia and China can be traced with reasonable precision, the position of the Central Asian countries — the 'five an's' — in the new great game is more difficult to identify. Different legacies and perceptions of the Soviet domination, centuries-old ethnical and cultural divides, and territorial and domestic factors make it difficult to identify coherent trends in the foreign policies of the region's states. Such differences, combined with the constant pressure exercised by China and Russia, have so far prevented Central Asian countries from creating a regional structure that could, in the long term, challenge the hold of Russia and China on the area.

The Organisation of Central Asian Cooperation (OCAC), the first and only attempt to create a framework for regional economic cooperation outside the Russian umbrella, was a short-lived experiment. One year after Russia joined the group in 2004, OCAC merged with the Moscow-led EurAsEc. Since then, Russia's influence and tools and China's growing presence in Central Asia have doomed any initiative of this sort. Indeed, external intromissions are not the sole cause of OCAC's failure. Rivalries between Central Asian states, such that between Uzbekistan and Tajikistan over the distribution of water resources and border control that has been ongoing since 1992, hamper attempts to create 'a third bloc' between the two regional powers.

As a result, each country has created ad hoc foreign policy lines that account for regional and international actors, attempting to gain maximum advantage without prejudicing national sovereignty. Uzbekistan, which has a traditional role as local military power, has handled its alliances with considerable pragmatism. The country maintains close ties with Russia, but preserves an 'opt-out right' within the CSTO. While the country allowed US forces to use its military bases from 2001 to 2005, it also sealed important deals with China for the development of the Central Asian Gas Pipeline in 2007. Kazakhstan, the
burseoning economy in the region, has also adopted a multi-vector foreign policy, leaning towards China and the EU on trade and energy issues, but bound to Russia in 'cultural allegiances'. The three remaining states compensate for their lack of political, military or economic leverage by 'trading' their strategic position; this is the case of Kyrgyzstan's use of its military bases, Turkmenistan's hydrocarbons. The capacity of each state to exploit the competition between Russia and China to its own advantage is essential to preserving a role on the regional level and avoiding becoming a mere buffer state between — or satellite of — the two hegemons.

3. The issues at stakes

3.1. Military and security: Russia's lion's share

In terms of security priorities in the region, both Russia and China share a set of common objectives. The aims and the tools with which the two powers pursue these objectives differ, however. Both are aware of the potentially destabilising effects of unrest in the Central Asian states, which might provoke cross-border threats and pave the way to a Central Asian 'Arab Spring'. Both countries also apply a 'two channels policy' for their security and military concerns in the region, relying on bilateral action and regional organisations (the CSTO for Russia and the SCO for China). Since the fall of the U.S.S.R., the Russian approach to security in the Central Asian region has been proactive and deeply linked to the Soviet military legacy in the area.

With a long historical presence in the territory, the Russian military can rely on a series of military outposts in different Central Asian countries, and specifically in Tajikistan, Kyrgyzstan and Kazakhstan. As of early 2012, the bulk of the Russian military presence in Tajikistan was represented by the 201st Motor Rifle Division, which occupies premises in the outskirts of Dushanbe, supplementing the military's positions in Kulob (148th Reg.) and Kurgan Tyube (191st Reg.). The three bases, which have operated under the CSTO's mandate since 1999, represent the largest Russian deployment outside Russia's borders and are equipped with heavy artillery, assault helicopters and combat vehicles. Unlike in Tajikistan and Kyrgyzstan, Russia's presence in Kazakhstan is principally logistical and strategic — which is to say, not backed by significant troops or arms. The Balqash-9 military station, situated on the shores of Balqash Lake and run by the Russian Aerospace Defence Forces, hosts one active Dnepr class radar, the core of Russia's early warning anti-missile system in the region.

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5 Russian International Affairs Council (RIAC), Russian military base in Tajikistan is most of all needed to ensure the security of Tajikistan itself, 22 March 2012 [http://russiancouncil.ru/en/inner/?id_4=270](http://russiancouncil.ru/en/inner/?id_4=270)
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Technical and air supports corps are also present north of Astana, close to the city of Karaganda.

Thanks to this widespread military network, Russia has been able to play an instrumental role in the creation of the CSTO and in shaping the organisation as a Central Asian equivalent to NATO\(^6\). The country was the chief actor behind the 2009 creation of a collective rapid reaction force, a 4 000-man-strong force able to be rapidly deployed to counter military aggression, illicit traffic or terrorist operations threatening a member states. Russia has also secured the right to veto the establishment of any foreign base in the CSTO’s territory, thus consolidating its status as *primus inter pares* in the organisation.

(Russian Military Bases in Central Asia, 2012)

Unlike Russia, China has no long-standing military commitments in local countries, and its military presence on the ground is hardly comparable with that of its counterpart\(^7\). China does not long for a role as the ‘watchdog’ of Central Asian countries and has based its policy in the

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\(^8\) Swanström, *China and Greater Central Asia...*, p. 28


Neither Russia nor China seems to be ready to assume a role of guarantor of stability in the region. China remains focused on preventing the troubles in Afghanistan and the potential interethnic clashes of neighbouring states from spilling over into the Xinjiang region, where the secessionist tendencies of the Uighur population represents a major security concern for Beijing.

This does not mean that China underestimates the importance of the security issues. The newly appointed head of the intelligence service of the People’s Liberation Army, Major General Chen Youyi, is a respected Russia and Central Asia specialist with knowledge of anti-terrorism and minority related issues. The SCO’s anti-terrorism drills have evolved from relatively low-key military exercises to more complex strategic simulations, cyclically hosted by one of the member states. Nonetheless, the military, ‘hard security’ dimension of the SCO is the one China has developed relatively little. China’s contribution to the SCO’s drills is relatively small. While certainly concerned about the US presence in Kyrgyzstan, China does not appear to share Russia’s interest in competing for military bases to counter the US presence in the region.

While Russia retains a military upper hand in Central Asia, neither of the two powers has managed to assume a leading role as guarantor of stability in the region. Neither the CSTO nor the SCO responded quickly or efficiently to the Kyrgyzstan turmoil of 2010. The indecision of the two organisations undermined their prestige among the Central Asian states.

Furthermore, Central Asian states are increasingly aware of the strategic importance of their bases. The states have forced Russia to offer more in exchange for leasing military instalments and to enter into long negotiations to maintain control of the bases. The withdrawal of NATO from Afghanistan will force Russia to update its security approach to the region. China, on the other hand, is likely to conserve a more discreet profile, devoting more attention to border issues and to the protection of its energy infrastructures, which are now reliant on the vast and potentially dangerous Central Asian corridor.

3.2. Trade: China’s fast run

Central Asia constitutes an appealing market both for the two regional powers — Russia and China — and for external players, such as the EU, India and Turkey. Jointly, the five Central Asian states can boast a population of nearly 60 million people, with economies that rely largely on foreign imports, particularly in the areas of commodity goods and technological devices. The region is considered by all an important target for investments in the energy and infrastructure sectors. Unsurprisingly, the two leading regional actors are looking for ways to secure commercial ties with the region’s states.

Russia considers that the key to exploiting Central Asia’s economic potential lies in the creation of a free trade regime market zone within the existing border of the CIS, potentially encompassing the Caucasian states and Belarus. This approach is relatively exclusive in nature, as it focuses more on creating an internal Central Asian ‘common space’ than on...
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creating opportunities for the states in the region to establish themselves in a wider global market. This ambitious objective was supposed to have been achieved through the Eurasian Union and its Common Economic Space, which itself should have developed from the Russia-Belarus-Kazakhstan Customs Union and the EurAsEc. As of 2012, however, the project remains at an impasse, and little has been achieved beyond fine declarations.

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<tr>
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<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>Tajikistan</th>
<th>Turkmenistan</th>
<th>Uzbekistan</th>
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<tbody>
<tr>
<td><strong>Imports</strong></td>
<td>7,724.3 (34.1%)</td>
<td>3,391.2 (62.7%)</td>
<td>180.6 (9.0%)</td>
<td>600.6 (14.2%)</td>
<td>1,382.8 (21.4%)</td>
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<td>4,236.4 (18.7%)</td>
<td>810.4 (15.0%)</td>
<td>646.8 (32.2%)</td>
<td>434.6 (19.2%)</td>
<td>978.9 (15.2%)</td>
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<tr>
<td><strong>Exports</strong></td>
<td>7,579.7 (21.1%)</td>
<td>268.7 (32.1%)</td>
<td>335.5 (37.3%)</td>
<td>722.4 (28.4%)</td>
<td>1,047.8 (24.1%)</td>
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<td></td>
<td>1,780.4 (4.9%)</td>
<td>48.9 (5.7%)</td>
<td>76.7 (8.5%)</td>
<td>101.9 (4.0%)</td>
<td>889.7 (20.5%)</td>
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<tr>
<td><strong>Overall Trade</strong></td>
<td>15,304.1 (26.1%)</td>
<td>3,439.3 (55.0%)</td>
<td>723.6 (24.9%)</td>
<td>1,157.1 (17.0%)</td>
<td>2,430.6 (22.5%)</td>
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<tr>
<td><strong>Trade</strong></td>
<td>6,019.2 (10.2%)</td>
<td>1,079.1 (17.3%)</td>
<td>516.1 (17.8%)</td>
<td>702.5 (10.3%)</td>
<td>1,868.6 (17.2%)</td>
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3.3. Energy: Opening the Eastern route

The rush for energy is increasing the role of the region as energy provider and strategic transit route.

Central Asia is both an energy provider — with substantial gas and oil reserves located in Turkmenistan and Kazakhstan — and a valuable transit route towards the great basins of the Caspian Sea. Collectively, the five Central Asian states constitute a single, long corridor linking the Far East with the Caspian Sea and bypassing the territory of the Russian Federation. Securing access to this route would guarantee access to a region whose oil and gas reserves amounts to 4.7% of the world’s shares of oil and 7% of its gas, with a production in continuous growth.

Until the early 2000s, Russia held a privileged position as both provider and trader of gas and crude oil in the region. The vast hydrocarbons reserves of Western Siberia constituted Russia’s principal source of oil, dwarfing the resources of Central Asia. Nearly all the oil and — to a greater extent — gas flowing through the region passed through a network of Russian pipelines, controlled in a monopolistic fashion by state-owned companies such as Gazprom, Rosneft and Transneft. At that point, Russia’s energy policies looked principally west. The country’s energy exports, as well as the considerable political leverage deriving from them, were largely directed towards the European Union, the post-

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Soviet states and the Caucasus countries.

This situation allowed China to enter the Central Asian energy market without significant competition\(^{13}\). Building strategic partnerships, China sealed agreements with different countries of the region. The development of the China-Kazakhstan oil pipeline, whose the construction ran from 2003 to 2009, represented China’s first successful entry into the Central Asian energy market, bypassing Russia. The pipeline, conceived in a 1997 agreement between the Chinese National Petroleum Corporation (CNPC) and KazNumayGas, now allows China to draw directly from the Kazakh coastal reserves of Atyrou and will eventually also draw from the Kashagan fields\(^{14}\). Transporting 38 million barrels/day offers China the chance to satisfy its energy demand while significantly opening opportunities to interact with the international investors and Western energy companies active in the area.

\(^{13}\) New York Times, China Quietly Extends Footprints Into Central Asia, 2/1/2012
http://www.nytimes.com/2011/01/03/world/asia/03china.html?pagewanted=all

\(^{14}\) See KazMunay Gas, China-Central Asia Pipeline, 26/9/2010
http://news.bbc.co.uk/2/hi/8410369.stm

China has successfully sealed a series of comprehensive oil deals with strategic Central Asian partners, satisfying its energy-related demands.
with advantageous commercial deals. China has concluded deals with the governments of Uzbekistan and Turkmenistan, the country that with the largest gas reserves in Central Asia\(^{15}\). The 7,000 kilometre-long pipeline currently provides China with thirty billion cubic metres of gas yearly\(^{16}\). An important step in China’s penetration in Central Asia, the pipeline breaks the Russian regional monopoly on gas, a sector that Russia had dominated since the fall of the Soviet Union.

Russian companies retain a solid presence in the region. The companies hold shares in some of the major pipelines project recently implemented by Central Asian states and could still exert considerable leverage on China, as Russia remains a major energy provider for China\(^{17}\). Yet the Chinese penetration of the local energy market has made Central Asian states less willing to unconditionally accept the proposed by Russia. To Furthermore, Russia has been badly affected by the economic crisis during the last five years, preventing the country from improving and extending its infrastructures in Central Asia. Russia recently failed to secure the expansion of Gazprom’s Pre-Caspian gas pipeline, for example, following a dispute with Uzbekistan’s state companies.

On the whole, China has managed to secure a concrete presence in the Central Asian energy landscape. Yet a clash between Russia and China is likely to deepen\(^{18}\). With the gradual decline in the output of the Western Siberia gas fields and the immense costs of drilling in the Arctic, Russia will likely devote greater resources to the Central Asian energy market. Only then will it be possible to say whether China’s new alliances and network will hold.

3.4. Language, demography and ‘soft power’: China’s cultural diplomacy

Cultural and ethnic diversity is a staple of Central Asia and has played a central role in the ongoing competition between China and Russia. However economically or militarily influential, no player seeking a long-lasting presence in the region can elude the complex network of allegiances, cultural peculiarities and linguistic ties that facilitate or doom local initiatives. In terms of energy resources and trade, China has clearly acquired a noticeable advantage on Russia. However, the two powers’ ‘soft power’ influence in the region is more difficult to assert.

On paper, Russia has preserved a certain cultural influence on Central Asian countries since the fall of the Soviet Union. At least at higher levels, the Russian language remains the \textit{de facto} lingua franca of the region’s political, economic and cultural elite, as well as of urban, well-educated upper middle classes. Radio and TV programmes in Russian are regularly broadcast, thanks to the presence of the numerous radio stations scattered across the CIS borders. A Soviet-style technical and administrative education remains common among country leaders, government bureaucrats and local party cadres, with the most prominent officials being frequently sent to complete their formation in Russian institutions. On lower levels as well, strong cultural ties with Russia exist.
in different areas. This is particularly evident in those countries that have provided labour and manpower for Russia during the last two decades, such as Tajikistan, or in countries like Kazakhstan, where Russian minority still constitute a considerable percentage of the population (35% in Kazakhstan).

Russian cultural dominance in the region has, however, generally declined, particularly during the 2000s. Outside the main metropolitan areas, fewer members of the rural population in the five Central Asian countries know Russian. According to the little data available on the topic, the same is true of the emigrant communities from Central Asia living in Russia. As of 2011, roughly one of five members of the vast of labour immigrants to Russia coming from Central Asian countries had little or no grasp of Russian\(^\text{19}\). In Uzbekistan and Turkmenistan, Russian is correctly spoken by little less than 20% of the population, and is only a second language among the younger generations. In these two countries, the phenomenon is linked the departure of Russian citizens due to civilian unrest and the worsening economic situation\(^\text{20}\).

While it is probably excessive to argue that China is filling this gap, the country is — unlike Russia — devoting considerable funds to developing its ‘cultural’ appeal in the region. Chinese cultural institutes in Central Asian states have blossomed in recent years. Confucius Institutes, China’s ‘cultural embassies’ around the world, have been established in the capitals of Kazakhstan, Tajikistan and Kyrgyzstan. In Kazakhstan, the first institutes opened their doors in Almaty and Astana in 2009. The initiate was popular and particularly appreciated by Kazakh president Nursultan Nazarbayev, leading to new (summer 2011) agreements with China for opening two ‘provincial centres’\(^\text{21}\). The desire increase the popularity of Chinese culture among Central Asian partners was also evident in the visit of Hu Jintao to Turkmenistan in December 2009, when the Chinese leader donated hundreds of Chinese books to the country’s national library as a token of friendship.

The success of such initiatives cannot be overestimated. In most cases, their effectiveness and popularity is linked to Chinese investments, which has made states like Kazakhstan or Turkmenistan open to China’s ‘cultural diplomacy’. In the course of recent years, China has gradually come to be accepted as a natural partner by the most influent Central Asian states, despite a centuries-old local distrust of Chinese ambitions. Since Russia’s cultural hold on the region is gradually waning — mostly due to demographic and linguistic factors — China’s comprehensive economic and development approach, strengthened with effective cultural

\(^{19}\) Eurasianet, Central Asia: Russian Language Experiencing Rapid Decline, 15 December 2011
http://www.eurasianet.org/node/64711

\(^{20}\) CACI Analyst, Kyrgyzstan Adopts Russian as Official Language, 6 June 2000
http://cacianalyst.org/?q=node/519

\(^{21}\) New York Times, China Quietly Extends...
Old games, new players: Russia, China and struggle for mastery in Central Asia programmes, may establish the county as the region's single hegemon.

4. Western connections: The EU and the US

4.1. The EU: Influence without power?

The involvement of the EU in Central Asia has increased in the course of the last decade, particularly following NATO's invasion of Afghanistan. Yet the EU presence dates back to the early 1990s, when the Union began to engage with the newly independent states of the CIS. Since 1991, Partnership and Cooperation Agreements (PACs) have been sealed with all the countries in the region with the exception of Turkmenistan, and a Delegation for Central Asia was established by the European Parliament in 1994. As of 2012, the EU is present in each one of the five countries in the region, with a Delegation or a ‘Europe House’. There is also an EU Special Representative for the region.

From 1991 to 2007, the TACIS (Technical Assistance to CIS) programme provided CIS states with more than EUR 1 billion to stimulate modernisation and cooperation in the region. The European Union continued to invest in the region through the Development Cooperation Instrument, the Instrument for Stability and the European Instrument for Democracy and Human Rights (EIDHR). These funds — which the Strategy for Central Asia 2007-2013 estimate total EUR 719 million — are destined to promote good governance, rule-of-law initiatives and development programmes. Examples include the INOGATE Programme, which promotes a partnership between Caucasus and Central Asian states in the field of energy security and sustainable development, and the EU Water Initiative, which tackles the sensitive issue of water resources in the region. On the security front, the European Union has been the main promoter of a series of border-management initiatives in the region undertaken with other international organisations since the mid 2000s.

Among these initiatives, the Border Management Programme in Central Asia (BOMCA) is probably the most visible EU-backed initiative in the region. Originating in a 2003 agreement between the European Commission and the United Nations Office for Drugs and Crime (UNODC), the programme aims to improve border control in different Central Asian states, by collaborating with the local authorities, training local police forces and encouraging institutional and economic development in the country. In 2009, the EU also devoted EUR 3 million to a project to develop Interpol’s tools in the region, while indirectly supporting the

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In economics, the EU is lagging behind China and Russia.

Despite the EU’s considerable funding and participation in such initiatives, the Union struggles to be recognised as a significant actor in Central Asia. The EU has by and large failed to define itself as offering ‘unique’ advantages to the Central Asian states.

The EU is important economic partner to many of the countries in the area, as it exports heavily to the region. Yet the Union still lags behind China and Russia in terms of overall trade. Moreover, insufficient investments and the failure to seal agreements with regional energy suppliers have prevented the EU from establishing a strong position in the Central Asian energy market. European energy companies generally operate independently in the area. In the hard-security domain, the EU cannot compete with China or Russia and does not offer a security cooperation forum such as NATO’s Partnership for Peace (which all five Central Asian countries have joined). In the fields of ‘human security’, rule of law and crisis-prevention, the EU remains a relative newcomer, and its ‘soft security’ approach is frequently assimilated into that of organisations such as the OSCE and the UN, which have a long-standing presence on the ground.

Some of the EU’s most important partners, such as Kazakhstan, are shifting from their traditional ‘multi-vector’ foreign policy to a more bilateral and selective approach, placing greater strain on the EU’s role in the region. Most Central Asian states still consider the partnership with the EU as strategically convenient, but are aware that a closer relation with China and Russia will allow them to obtain major deals in the economic and security domain while avoiding EU’s conditionality. This has been the case for Uzbekistan and Kazakhstan, and the EU’s influence might soon be confined to states that rely almost exclusively on foreign aid, such as Kirgizstan and Tajikistan.

4.2. The US: Out of Central Asia?

The role of the US in Central Asia is, like that of the EU, characterised by paradoxes. One the one hand, the US could legitimately be considered a third vertex of power in the region. The US’s military presence, which has been consolidated since the invasion of Afghanistan in 2001, and its ‘smart security’ capabilities mean the country is an actor to be reckoned with, and has obliged Russia and China to review their military priorities in the region. Much like the EU, the US controls an array of development tools to stabilise the region and improve its democratic structures.

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25 CACI Analyst, Nazarbayev Drifts from ‘Multi-Vector’ Foreign Policy, 9 May 2012 [http://www.cacianalyst.org/?q=node/5763](http://www.cacianalyst.org/?q=node/5763)
However, this superiority may also, in the long term, lead to a progressive loosening of ties between the US and the region.

One of the chief reasons for such disengagement would be the current US focus on Afghanistan. In the decade-long hiatus between the end of the Cold War and the beginning of the ‘War on Terror’, Central Asia was a backwater of American foreign policy. Today, the bulk of the US presence in the region is the nearly 100 000 US soldiers serving in NATO’s International Security Assistance Force in Afghanistan (ISAF). The US military presence in neighbouring Central Asian countries is essentially limited to strategic military outposts, such as the Manas Air Base in Kyrgyzstan, opened to support the early phases of the Afghan ‘Enduring Freedom’ operation.

In 2009, Kyrgyz President Kurmanbek Bakiyev threatened to oust US troops from the base and open it to bids — and therefore possibly make it available to Russian troops. This forced the US to agree on a lease of USD 60 million to retain control on the airfield. The amount was equivalent to the entire USAID budget for all of Central Asia in 2011, and exceeded that of 2012, when US expenditures fell behind those of the EU and China26. There are also other signs that the US involvement in the region has been limited involvement to the Afghan borders. The US has proved less dynamic than have European partners — or even the Russian — in engaging border control initiatives at the frontiers of other Central Asian countries.

Given this, the desire of the US to acquire lasting regional post-Afghanistan and to play a role in the ‘great game’ of China and Russia may have been largely overestimated. The US does not figure among the top trading partners of any of the Central Asian states — with the exception of Kazakhstan — and has little chance of competing with China in this area. Despite developing relations with Turkmenistan during the past five years, the US has made little progress in securing concrete deals with Turkmenistan to exploit of its vast gas reserves27. Even the joint military exercises with countries in the region —the most recent of which took place in June 2012 — have been limited in scope and not comparable to those organised by the SCO and the CSTO in the same period.

Lacking significant economic interests but faced with soaring maintenance costs for strategic instalments in the region, it is highly unlikely that the US will devote more resources to consolidating their presence in Central Asia in the foreseeable future. Unless a radical geopolitical shift occurs in Central Asia and forces the US to prolong their

26 USAID - Central Asia http://centralasia.usaid.gov/about/strategy-and-budget
presence on the ground, the country will probably exit the region in 2014, with important consequences for both China and Russia.

5. Conclusions

5.1. Escalation or balance of power?

At a first glance, China stands as the undisputed frontrunner in the current race for mastery in Central Asia. A fairly marginal player in the beginning of 1990s, the country has since managed to impose itself on almost every facet of the Central Asian geopolitical landscape. China has created solid relations with the five Central Asian states, sealing a series of strategic deals that have made the country the most dynamic actor in Central Asia. As of 2012, China is not only the leading commercial power in Central Asia, but has also expanded its energy network across the region, breaking the traditional Russian monopoly in this sector. By creating an alternative framework for the regional cooperation, China has raised the level of the game in the area, forcing Moscow to rethink its traditional, CIS-centred approach to Central Asia.

On the other hand, Russia is not yet ready to abandon the role of chief player in the Central Asia. While surpassed by China in the economic and energy domains, Russia can still count on a network of Moscow-led regional organisations, on a strong military presence on the ground and, above all, on a considerable degree of 'soft power' influence deriving from its historical presence in the region. Yet this approach will soon be outdated, particularly in the military sphere, where the 'hard security' model at the core of the CSTO may be inadequate to face the challenges of non-conventional warfare, terrorism and organised crime in the region. In purely economic terms, Russia's capacity for investment in the region is also considerably less than China's.

The competition between the two powers in the region is unlikely to become a Central Asian 'cold war' or to escalate, in the long term, into a real regional conflict. In the end, both Russia and China share an interest in maintaining stability and balancing power in the region; both wish to avoid sudden regime changes and to curb any suggestions of a Central Asian 'Arab spring'. And while Russia wishes to preserve a certain economic and military influence in Central Asia, China's priorities lay elsewhere. To Beijing, increasing the Chinese presence in South-East Asian markets, maintaining a strong military presence in the Pacific and preventing an escalation in North Korea are more pressing concerns than acquiring a hegemonic position in the Central Asian theatre.

28 EUISS Analysis, Russia’s neighbourhood policy, 14 February 2012

29 Oxford Analytica, Central Asia: Region undergoes strategic makeover , 5 October 2012
As for the other international actors in the area, neither Russia nor China faces significant threats. The EU remains an important economic player in Central Asia, trading actively with the fast-growing economies in the region and investing intensively in development, poverty reduction and anti-crime initiatives. However, the EU’s investment in the region is small when compared to the resources devoted to such activities elsewhere. Without a more concrete presence on the ground — for example, a Common Security and Defence Policy mission — the EU will not play an important role in the future of the region. Similarly, the US will be wary of further engagements in Central Asia after its decade-long involvement in Afghanistan. Without significant economic ties or development initiatives in the area, the US may soon find themselves in the background of the ‘great game’, limiting their interventions to anti-terrorism operations; in this, ‘smart war’ domain, the US’s capabilities are unmatched by either Russia or China.

At this moment, the situation is far from being certain. Predictions of Chinese dominance in the region are still uncertain. However, Russia must certainly begin to conceive of Central Asia as a ‘bipolar’ environment, and Russia’s collaboration with China will be indispensable on the economic, military and energy field. The withdrawal of NATO from Afghanistan in 2014 will mark a turning point for the region. The way in which China and Russia will handle the destabilisation that will almost certainly follow will eventually determine which one of the two actors acquires hegemonic status for the coming decades.
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