

Features of the New China Geostrategy in Central Asia

Zamira Muratalieva

Determinants of a new foreign policy of China in the countries of Central Asia cannot be considered in isolation from global dynamics of political and economic processes, and internal conditions of the development of China. Currently, the defining geopolitical trend is the process of making a new architecture of world order. The dominant features of this process are initiatives of transcontinental integration projects, which are based on revival of overland trade link between Europe and Asia.

Chinese project “Economic zone of the Great silk Road”, which was announced in 2013, during the visits of the Prime Minister Li Keqiang and Chairman of the China Xi Jinping to South-East Asia and Central Asia, in comparison with the American project “New silk Road”, European CAREC and TRACECA and the Russian Eurasian Union, is the most “young” and in many ways the most attractive to Central Asian republics. The attractiveness of this project is defined by the following characteristics, which, probably, were purposefully based on the projects-competitors’ progress:

- the first, the design of free trade zones network as a reference point transport and logistics infrastructure, which is the basis of the project “Economic zone of the Great silk Road”, can be combined with membership of a state in the framework of other integration structures;
- the second, proposals to transfer trade and economic cooperation on Yuan currency, in the conditions of “dollar crisis” looks attractive;
- the third, the refusal of the institutionalization of establishing trade and economic relations, without obligation to implement this or another course of foreign policy;
- the fourth, sustainable reputation of China as a major regional lender and investor.

These characteristics are especially distinguish Chinese project in the light of the instability in Afghanistan – the axis around which should be formed American “Silk Road”, of course, the institutionalization of relations in the framework of the future Eurasian Union, which reduces the space for foreign policy maneuvers of the Central Asian countries, and lack of sufficient material resources experiencing financial and economic crisis of the EU to invest in large-scale transport and energy projects (the clearest example of the failure of the NABUCCO project).

Moreover, prospects of European projects are closely related to interest and investment of Beijing, which successfully synthesizes national interests with their European trading partners, pursuing a course aimed at strengthening of the Yuan and at the same time participating in the transport and logistics EU projects.

The scale of funding and implementation pace of Chinese “Economic zone of the Great silk Road” are impressive - multi-billion agreements in the transport and energy sector were signed during Xi Jinping visits to the Central Asian Republic. In addition, Beijing continues to lobby the idea of the SCO development Bank creation (Russian Federation tries to block this idea), where China is ready to invest 10 billion dollars. And such “generous” infusion and proposals the new leadership of the PRC makes in conditions of slower growth Chinese economy: from the usual 9-11% of GDP to the current 6-7%.

It seems that this behavior of the new generation of Chinese politicians is caused by a complex of endogenous and exogenous factors. The first should include the desire to transform the existing model of economic development of the country in the direction of export dependence reduction. China needs to boost domestic system of demand and supply, to reduce dependence on the world financial-economic cataclysms. So for the stabilization of the first wave of

the crisis in 2008-2009, Beijing had to adopt a package of measures to support export-oriented domestic producers in the amount of 600 million dollars. However, according to the Chinese unit of Swiss Bank UBS, China has enough means to another complex of such measures, but still doesn't use them. In this respect, it seems that on the one hand, China wants to avoid "inflate the credit bubble" that led to the crisis in Europe and the USA, on the other - to reallocate their investments.

In the latter case, probably, the most promising direction is to invest in transport and energy projects in Central Asia, which will enable China:

Firstly, economically bind strategically important, from the economy and security point of view region and contribute to the development of its Western provinces, what can turn into a major consumer of Central Asian hydrocarbons and importers of products.

Secondly, to reduce prices for Chinese necessary economic resources due to the growth of competition among suppliers due time limit of their raw material needs. In particular, Beijing has to buy the hydrocarbon raw materials from Russia on market prices, and Turkmenistan and Kazakhstan - on a more favorable rate that in the conditions of instability in the middle East and North Africa, where China gets more than 50% of the total energy resources, is one of the incentives to expand its presence in Central Asia.

Meanwhile, conducted policy tightening labor legislation in the context of reducing China's dependence on external conditions strategy - defines the maximum duration of the working week, the mandatory registration of labor contract and mandatory payments to dismissed employees - allows to reach the Chinese leadership triple effect:

- first, Chinese economic giants get a qualified workforce
 - second, reducing the scale of the shadow economy,
 - thirdly, Western companies will be gradually curtail production due to the rise in price of workforce, strengthening the position of the Chinese competitors.
- Taking into account that Beijing invests primarily in labor-intensive infrastructure projects of internal

(construction plans intercity railway networks) and external orientation (Railways of China - Kyrgyzstan - Uzbekistan) it appears that, on the one hand, despite the overall slowdown in economic growth, China will decrease the unemployment rate, on the other - systematic demographic penetration of China in the neighboring region will be laid.

However, the proposal of Guo Shenkun (the Minister of Public Security of China) at the chairpersons meeting of the heads of defense agencies of SCO member countries in Dushanbe to create a SCO Center countering security threats, the operation of which, in his opinion, should be organized in the format of rapid exchange of information between the law enforcement agencies of the countries-participants of the SCO, as well as regular joint exercises. This suggests that the Chinese leadership changes its view of the universality of economic instruments in foreign policy.

Probably the immediate impetuses for this shift in Beijing foreign policy rhetoric are the following external factors:

- the first, joining of Crimea to Russia. China fears that the existing tacit agreement on the division of influence zones in Central Asia with Russia, ultimately, on the background design of the structures of the Eurasian Union may lead to loss of the region from its sphere of influence.
- the second, China's need for a reliable rear in the Central Asian region in the light of the military buildup (first of all, in the form of air defense systems) in the South-Eastern Asia in connection with the trend of using tools of real politics in the system of international relations (war in Libya, Syria).

Meanwhile, there are a number of external economic prerequisites for the strengthening of China in Central Asia that "rebound" introduced competition in the triangle China - Russia - the U.S. in other regions of the world. As one of the preconditions that should be emphasized, is the failure of the project (for a total amount of 3 billion dollars) for the construction of a deep-water port in the Crimea with the joining of the latter to Russia. This port was of strategic importance to China, as it had to become an international sea hub

for goods transit from East to Europe in the framework of the “Economic zone of Great silk Road”.

On the other hand, there is a gradual escalation of the Russian-Chinese competition in the Arctic, which is an additional irritant in relations between Moscow and Beijing in the region of Central Asia, the land routes through which along with the Northern sea way provide an alternative to the existing South sea connection of China with Europe via the Suez Canal. This unconditional leadership of the PRC in Central-Asian region can provide her independence from Russia in its relations with the EU, as the Northern way due to the geographical position of the Russian Federation in all hands will be associated with the need to negotiate the terms of its operation with Moscow. However, in Southeast Asia the United States is committed to make an economic blockade of China through the creation of Transpacific Ocean partnership, forcing the latter to speed up the search for alternative South sea lines of communications with Europe.

Thus, the new China's policy in Central Asia is determined by a range of external and internal factors. The external factors include: the escalation of geopolitical competition in the format of the proposed overland transport and energy projects, instability in the Middle East and North Africa - the major energy suppliers in China, events in Ukraine, resulted in the changes in Crimea - one of the most important transit areas in the Chinese project of revitalizing the Great silk road, the geographical advantages of Russia in the operation of the Northern sea route, the militarization of South-East Asia, and the U.S. plans for an economic blockade of China in the region.

Internal factors relate to the aspirations of the Chinese leadership to reduce the economy's dependence on global economic conditions due to reduction of export and increase of investment in internal and external infrastructure projects, “drain” competitors of Chinese companies, reducing their access to its domestic market and to reduce prices on imported resources, initiating the strengthening of competition between them.

The imposition of these factors determines the distinctive features of the proposed PRC economic

integration of Central Asia in the framework of the developed large-scale project “Economic zone of the Great silk Road”. Dynamic start of its implementation, and also expressing Beijing interest to ensure the military security of the region is an indication that China will gradually become in the terminology I. Kant in “thing for us”, which was prepared by a preceding period of accumulation of research and financial base in the status of “thing-in-itself”.

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Author: Zamira Muratalieva

Zamira Muratalieva is a PhD in Political Science, Assistant Professor of Political Science Department at the Kyrgyz-Russian Slavic University, and Scientific Secretary at the Institute for Strategic Analysis and Prognosis (ISAP).