

**The great game in Central Asia** by Virginia Marantidou and Ralph A. Cossa

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One of the main criticisms against Washington's attempt to sanction and otherwise punish Russian President Vladimir Putin for his aggressive actions in Ukraine is that this is driving Russia and China closer together in an anti-American axis. Such concerns are unfounded, first because the two are already close strategic partners, but more importantly, because neither really trusts the other . . . nor should they. The truth is, when Russia and China get in bed together, they both sleep with one eye open!

This is not to say that Sino-Russian cooperation has not been significant. Last year Russia's Gazprom and the China National Petroleum Corporation signed a \$400 billion contract to jointly build a gas pipeline. They further agreed to do their transactions in their own currencies, rather than the US dollar. Later that month, in a joint statement at the 4<sup>th</sup> Summit of the Conference on Interaction and Confidence Building measures in Asia (CICA) – a reinvigorated Asia-Pacific security group in which the United States and Japan are only observers – the two leaders pledged to cement their strategic partnership. Both countries have regularly vetoed or significantly watered down US-sponsored UN resolutions regarding Syria and North Korea. Moreover, China has been noticeably quiet regarding Russia's intervention in Ukraine. And while Beijing is particularly sensitive to questions of sovereignty and territorial integrity – “non-interference” being one of its most sacred principles – and despite close defense ties with Ukraine, thus far, Beijing has refrained from publicly criticizing Moscow.

Fears of a Russia-China condominium are exaggerated, however. Beneath the surface, a creeping competition will erode the foundation of the partnership. The two countries may be enjoying a honeymoon but this is a marriage of convenience. No other place will provide more fertile ground for their geopolitical competition than their shared periphery, Central Asia, a.k.a Russia's “near abroad.”

China's presence and influence in Central Asia – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan – have been increasing. The westward strategy articulated by Chinese President Xi Jinping in his “New Silk Road economic belt” highlights Central Asia's importance for Chinese economy and development. Central Asia is resource rich, and, because of its proximity to China offers a great opportunity for cheap, reliable energy imports. China has been investing billions of dollars in the energy sector which include a series of contracts with Kazakhstan worth \$30 billion, 31 agreements of \$15 billion value with Uzbekistan, and natural

gas transactions with Turkmenistan in 2013, which reached about \$16 billion. China has also provided loans and aid of \$8 billion to Turkmenistan and is expected to provide at least \$1 billion to Tajikistan. Last year, China upgraded relations with Kyrgyzstan to a strategic level. Perhaps more important, Beijing views Central Asian countries as important allies in the fight against Islamic extremists that foment ethnic unrest in China's west; Xinjiang is a sovereignty issue, and therefore a “core interest.” Finally, as the US rebalances to East Asia, China seeks strategic space to the west.

If Ukraine is Russia's front yard, then Central Asia must be considered its back yard. Russia has longstanding historical, economic, and political ties to Central Asian governments. Moscow has sought to consolidate those relationships through regional integration initiatives such as the Commonwealth of Independent States, the Customs Union, and the Eurasian Economic Union. Moscow is especially keen to maintain control of Central Asian energy and resource exports to protect its own position in the market: Central Asia is a potential competitor to Russia's energy exports, the lifeblood of the Russian economy. Its ownership of the old Soviet pipeline network offers control over Central Asia energy exports. Russia is also able to enhance the quality of its own product by blending it with higher quality oil from Kazakhstan, while maintaining control over price and supply.

Thus far Russian and Chinese interests in the region have converged. Nontraditional security concerns such as Islamic extremism have brought the two countries together, leading to greater cooperation in the Shanghai Cooperation Organization (SCO) – but naming an organization encompassing the Central Asian states after a Chinese vice Russian city must add salt to the wound. Deeper Chinese engagement in Central Asia makes competition inevitable. For Russia, the stakes are high.

As energy-rich Central Asian countries explore new supply routes, such as the China-Kazakhstan oil pipeline, Russia fears the loss of its leverage and the emergence of new competition. Lower profits from energy exports coupled with economic challenges and plunging currency would accelerate Russia's downward economic spiral.

Economically, Russia is still important for Central Asian countries and remittances from Central Asian workers in Russia sustain their economies. But increasing Chinese economic engagement offers Central Asian countries an opportunity to diversify their economic relations. China is now the largest trading partner of Tajikistan, Kazakhstan, Turkmenistan, and Kyrgyzstan. Its trade with the region reached \$46 billion in 2012, almost double that of Russia. Facing an economically stronger China, Russia will have to use more resources to keep pace and keep Central Asia in its orbit. With economic stagnation and the likelihood of

protracted uncertainty in its front yard, this may prove challenging for Moscow.

Multilateral mechanisms may not be able to mediate the competition. Beijing has been pushing for further regional economic integration through the SCO, but Russia has resisted any multilateral framework that is not under its leadership. China is also suspicious of organizations that it does not control. It isn't clear that the SCO can reconcile and contain the pressures created by the two countries' competing visions of regional economic integration.

Nor will shared interests prevent competition. Many see arms trade as an example of a strong China-Russia axis. But while Russia sells thousands of weapons to China, it sells even more to India, China's strategic competitor. Russia refuses to sell China its most advanced weapons to protect its intellectual property and for fear that China's military could become too strong. Consequently, the arms trade has become a source of tension between the two countries and volume has decreased significantly in recent years. Perhaps Moscow remembers Lenin's prediction that "the Capitalists will sell us the rope with which to hang them."

Finally, the US withdrawal from Afghanistan could produce a vacuum in South Asia that could threaten stability in neighboring states. Many of the fiercest elements of the Taliban are Central Asian fighters, who gained experience and established networks in Afghanistan. Central Asian governments have already expressed concern about the return of these fighters to their home countries to continue jihad. Seeking to stop the contagion, China and Russia will fill the vacuum both in South Asia – after all the Soviet Union invaded Afghanistan in the 1970s – and Central Asia. Expect greater competition over who will guarantee regional security, and therefore exert more influence in regional capitals.

The real problem is that wherever Russia turns it encounters China and vice-versa. In the Russian Far East, Moscow fears Beijing's encroachment, for example. Far from the capital and sparsely populated, the Russian Far East has absorbed increasing numbers of Chinese merchants, changing the demographic landscape in China's favor and prompting talk of long-term annexation, even if Beijing is yet to roll out a new map with more dashed lines to the north.

Central Asia is no less important than Ukraine. And there are Western limits to Putin's desire to rebuild the Russian Empire (read: NATO). The near abroad is likely to be next. Moscow is likely to become aggressive toward China if it starts losing its diplomatic grip on this region. Russian President Vladimir Putin has put growing emphasis on "defending Russian compatriots"; there is no reason to think Central Asia will be exempt from this "humanitarian" tendency in Russia's foreign policy. China is unlikely to accept a redefinition of Russian interests that comes at its expense.

In the end, geopolitical competition will prevail. China is beginning to reassert itself as a continental power, while Russia struggles to maintain its economic and political supremacy in Central Asia. Facing greater competition from the US in East Asia, Beijing is shifting attention westward to take advantage of what it perceives as a vacuum in Central

Asia. Over the long term, it is highly unlikely that China will accept a geopolitical straightjacket. The 21<sup>st</sup> Century version of the Great Game is on.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed.*