

# CHINA'S INADVERTENT EMPIRE



**Dr. Alexandros Petersen**, author of [The World Island: Eurasian Geopolitics and the Fate of the West](#)

*Alexandros Petersen is interviewed by The Gadfly on April 16, 2013*

**The Gadfly:** *You have referred to China's growing influence in Central Asia as an "Inadvertent Empire." Could you explain what you mean?*

**Alexandros Petersen:** It's an inadvertent empire in the sense that China is already the most consequential actor in the region and will soon be the dominant actor in a number of different areas. It already is the dominant actor in the economic sphere and definitely so in the energy sector, which is actually quite a significant accomplishment given Russia's traditional role in that area. China has also become the go to place for loans and investments. One of the key needs in Central Asia is investment in infrastructure, and that requires funds. Russia doesn't have the money; the United States doesn't have the money in some cases and simply doesn't care in others; the European Union is not comfortable giving money because of the nature of some of the regimes in the region, so China is really the only option to provide funding as well as institutional capacity building. So, it's an empire in the sense that China is the player to watch and will be the dominate player in the future, but it's inadvertent, in the sense that China doesn't really have a strategy for the region. China doesn't want an empire. As Seeley would say, it has an empire "in a fit of absence of mind."

What China does have is a strategy for its piece of Central Asia: the Xinjiang Uyghur Autonomous Region. I'm referring to the "Develop the West" policy, which started working overtime in 2009 after the ethnic riots in Xinjiang. The riots were a blow not just to the economy of Xinjiang, but also the legitimacy of the Chinese Communist Party. China's reaction, in the form of the "Develop the West" strategy, was to bring economic investment to Xinjiang in the hope that investment will lead to economic prosperity and therefore stability. China's strategy in Central Asia is mainly a domestic strategy, but there is a spillover effect. There's a sense that the states around Xinjiang (particularly Kazakhstan, Kyrgyzstan and Tajikistan) should be factored into the strategy, if only as a cordon of somewhat prosperous and secure states around Xinjiang. What China doesn't want is for Uyghur separatists or terrorists to have bases across the border. So, China knows vaguely what it wants from Central Asia, but it does not have an actual strategy.

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**The Gadfly:** *What about the quote by the People's Liberation Army General Liu Yazhou you mention in your article, referring to Central Asia as "the thickest piece of cake given*

*to the modern Chinese by the heavens.” Does that suggest some people in China do see gaining a foothold in Central Asia as a goal in and of itself?*

**Alexandros Petersen:** Two things: first, of the various state institutions, only the PLA has a sense of Central Asia’s importance. You might think the Ministry of Foreign Affairs would be interested, but it has no one really working on this area, there isn’t even a Kazakhstan desk in the ministry. There are people working on Central Asia in other contexts, but no one actually focuses on Central Asia. At the Politburo, they only see Central Asia as a neighbor to Xinjiang. You see this reflexed in the sorts of diplomats that are sent to the region; they are usually not the top level Beijing has to offer. The PLA, however, given its large role historically in Xinjiang, is aware of the strategic importance of Eurasian geopolitics—they are aware of Mackinder’s theories concerning Central Asia as the heart of the Eurasia and the importance of the area to the United States over the past ten years. That said, the PLA has not devoted many resources towards dealing with Central Asia. They may well do so in the future, but not yet.

Second, General Liu referred to Central Asia as “a slice of cake.” The reason he put it that way is because of the obvious benefits China could gain by tapping into Central Asia’s natural resources. If you look at the grand scheme of things—for instance, where China gets its oil and gas—Central Asia only provides a tiny sliver of China’s resources globally; however, Central Asia is still important given China’s rapacious appetite for natural resources and its geographic location.

A lot of China’s expansion in the region is driven by forces outside the Chinese government. Given Central Asia’s abundant natural resources, its close proximity to China, and fading Russian capacity, China’s state-owned enterprises see Central Asia as a great opportunity for expansion. Chinese companies feel they have an advantage over other external players in the region, and they would like to build on that.

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**The Gadfly:** *Why would Chinese companies have an advantage in the region?*

**Alexandros Petersen:** They do have an advantage in that they are often able to make upfront investments of large sums. They are also willing to deal with business practices and corruption when other companies are not. And when Chinese investments come into Central Asia, they arrive with no strings attached: no talk about good governance, no lectures on corruption, etc. Those are objective facts. What the Chinese also claim is that they understand Central Asian culture. That, I think, may be more their perception than reality. But back to the first point, although there are no strings attached at the moment, there may be demands in the future: not tied to good governance, but favors that have to be repaid by Central Asian governments in political and security terms. That’s when China’s empire becomes less inadvertent.

**The Gadfly:** *Do we see any signs of that happening now? Is China starting to formulate a policy for the region, or make demands in return for its investments?*

**Alexandros Petersen:** Maybe on a very limited basis, but I wouldn't say we've seen that change yet. I would be surprised if we don't see it happen in the near future. Probably after 2014 when the United States pulls out of Afghanistan. When they do decide to make that move, they will be able to build off of their current position and structures like the *Shanghai Cooperation Organization* (SCO).

**The Gadfly:** *What are the perceptions locally of China's involvement in Central Asia? Is China a welcome presence, or are there some reservations among the local elite?*

**Alexandros Petersen:** There are differences between the five post-Soviet countries and Afghanistan, and there are differences between various factions within those countries. Kazakhstan has tried to strike a balance between Western, Russian and Chinese investments and political influence, but it seems the trend is towards more Chinese influence. In the long run, I think they will end up leaning more towards China. In Uzbekistan, they have been far more wary of Chinese influence—it is there, but they are more careful. The future of China in Uzbekistan is unpredictable. Kyrgyzstan is already overwhelmed by Chinese investment, and they have very little choice other than to look towards more Chinese involvement. Tajikistan is headed in the same direction. Turkmenistan is the really interesting case. If you look on paper, it appears Turkmenistan is very reliant on China. Most of its natural gas goes to China—the Turkmenistan-China pipeline is its major lifeline. At the same time, because Turkmenistan is such a closed place, because it is so heavily managed at the top, and because they are making clear concerted efforts to diversify their links, Turkmenistan may in the long run find it has more options than its neighbors. Afghanistan is desperate for money from anywhere. The US embassy in Kabul has resigned itself to working with the Chinese and has already done so on a number of different projects. Compare that to the recent past, when the narrative in the United States was that China was free riding on our security efforts, now the United States would just be happy if it could leave Afghanistan with some economic stability.

***“When Chinese investments come into Central Asia, they arrive with no strings attached: no talk about good governance, no lectures on corruption, etc.”***

**The Gadfly:** *What are the major challenges from internal and external players China faces in Central Asia?*

**Alexandros Petersen:** First, let's talk about external actors. The primary purpose of the SCO was to reassure Russia that China had no interest in undermining Russia's influence in the region. If China could find a way to move into the region without jeopardizing Russia's role as the dominant power, it would. So, the SCO sends a signal

that although China is moving into the region, it still respects Russia's sphere of influence. China can take advantage of the current system, because it leaves Russia to address security issues. And the West is not a significant challenge to Chinese presence. China only has to worry about competing with Western companies, and they are used to doing that in other parts of the world.

The main concern China has in the region is internal stability. What will happen when the current leaders are no longer around? They are less worried about terrorism from Afghanistan and more worried about what happens if the Fergana valley explodes during a sloppy handoff of power.

**The Gadfly:** *Is there a danger of local backlash against Chinese presence? How do non-elites in Central Asia see China?*

**Alexandros Petersen:** We have to take into account the fact that during the Soviet Era, the Chinese were seen as a great "other," and many Central Asians see Chinese as invading outsiders. Central Asians also sympathize to some extent with the Uyghur population in China, and that adds a little more tension to the relationship. That is something that will be hard for China to overcome.

China is aware of the problem, but it is not addressing the issue in a concerted way. There are things that Chinese companies are doing—think of it as Corporate Social Responsibility with Chinese Characteristics—to reach out to communities, and they are doing much more than even three years ago. They have realized they need to be more involved in the communities, in which they are investing and at least pay lip service to environmental and labor issues.

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**The Gadfly:** *Has there been an effort by the Chinese government to bolster its image in the region?*

**Alexandros Petersen:** China has done some of that, what with building Confucian Institutes and so on, but we should be careful not to overestimate their effectiveness. I do think, however, that Chinese as a language is gaining influence. Increasingly, English is the second language of the elite, but the middle class is interested in Chinese, because it provides the best opportunity for making money. English is not as useful if you don't have the money to pay for an education in the West and make connections there.

**The Gadfly:** *What trends should we be watching in order to get an idea where China's relations with Central Asia are headed?*

**Alexandros Petersen:** One of the most important things to watch is the transfer of power. We now have 20 years of post-soviet governance. The next generation of leaders is not going to look like the current one. That could have broad implications for China. A nationalist leader in Kazakhstan, for instance, might play off sinophobic sentiment to consolidate power. On the other hand, a leader that wants to move away from Russia might be more open to Chinese involvement.

We should also watch Political Islam in the region. Political Islam will almost certainly be anti-Chinese. In the future, we may see secular, China-oriented political factions competing for power with Gulf-oriented, Islamist political factions. The AKP in Turkey took power by appealing to religious small businessmen in Anatolia. I could see a similar situation emerge in Central Asia. I would say Political Islam is more capable than either Russia or the West of affecting China's future influence in the region.



*The full article is as follows, edited by [www.dragonreport.com](http://www.dragonreport.com).*

# *China's Inadvertent Empire*

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## THE NATIONAL INTEREST

Raffaello Pantucci, Alexandros Petersen | October 24, 2012

PRESIDENT OBAMA'S late 2011 announcement of his administration's pivot to Asia marked a sea change in America's geopolitical posture away from Europe and the Middle East to Asia and the Pacific Rim. Reflecting the growing strategic repercussions of China's rise, the move presages a new era of great-power politics as the United States and China compete in Pacific waters. But is the United States looking in the right place?

A number of American strategists, Robert D. Kaplan among them, have written that a potential U.S.-Chinese cold war will be less onerous than the struggle with the Soviet Union because it will require only a naval element instead of permanent land forces stationed in allied countries to rein in a continental menace. This may be true with regard to the South China Sea, for example, or the Malacca Strait. But it misses the significance of the vast landmass of Central Asia, where China is consolidating its position into what appears to be an inadvertent empire. As General Liu Yazhou of China's People's Liberation Army once put it, Central Asia is "the thickest piece of cake given to the modern Chinese by the heavens."

For most of its unified history, China has been an economically focused land power. In geopolitical terms today, China's rise is manifest particularly on land in Eurasia, far from the might of the U.S. Pacific Fleet and Washington's rimland allies—and far also from

the influence of other Asian powers such as India. Thus, Western policy makers should be dusting off the old works of Sir Halford Mackinder, who argued that Central Asia is the most pivotal geographic zone on the planet, rather than those of Alfred Thayer Mahan, the great U.S. strategist of sea power. Greater attention needs to be paid to China's growing presence in Central Asia if the United States is to understand properly China's geopolitical and strategic rise.

Indeed, to the extent that China is able to challenge America's naval position in the Pacific, it will be because it has consolidated its land position in Central Asia and feels more secure on that flank to confront the United States at sea. As Kaplan has written, "Merely by going to sea in the manner that it is, China demonstrates its favorable position on land in the heart of Asia."

Looking at the arc of Chinese history, China has never been a naval power. Aside from the fifteenth-century explorer Zheng He's naval expeditions, Chinese empires have traditionally focused on their land power. And even Zheng He, for all his skills as a naval adventurer, was eventually shored by the Haijin edict that marked China's retreat from the sea. The focus for Chinese imperial dynasties was maintaining the integrity of their massive state.

This fixation with territorial authority is something that persists to this day with the current Chinese Communist Party's preoccupation with domestic economic growth. This is mostly a survival mechanism to prove the party's capacity for effective governance and therefore justify its continued dominance. But it also has had the effect of somewhat warping Chinese foreign policy to serve domestic interests.

Nowhere is this clearer than in Central Asia, where China's steadily developing policy toward the region has been focused on securing natural resources. This has further developed recently into a strategy to create a more prosperous neighborhood with which China's restive westernmost province, Xinjiang, can trade. Far from the center (everything in Xinjiang operates two hours later than Beijing, though the official time is the same as in Beijing), rich in natural resources but largely empty and burdened with minority tensions that periodically spill into violence, Xinjiang long has been a concern to decision makers in Beijing's governing complex of Zhongnanhai.

These concerns surged anew in July 2009 when rioting in the provincial capital of Urumqi led to more than two hundred deaths. Sparked by protests in the city against reports of Uighur workers in Guangdong Province being abused, the trouble quickly escalated into rioting in which mobs of Uighurs marched around the city beating hapless Han to death. The next day angry Han staged counter-riots directed at the Uighurs as well as at the Han authorities' inability to protect them or resolve the province's long-standing problems. Chinese president Hu Jintao quickly departed a G-8 summit in Italy to take charge of the situation.

In the wake of the violence, Beijing decided it was time for a new approach. Senior leaders in Urumqi's security establishment were fired, and in April 2010 the long-time local party boss Wang Lequan was eased out of his position. Replacing him was Zhang Chunxian, the former governor of Hunan Province, who had received plaudits for his work in bringing economic development to that province. The capstone of this revitalized strategy toward Xinjiang was a May 2010 work conference that produced a number of key decisions related to the province. Richer provinces were given responsibility for parts of Xinjiang; national energy companies exploiting Xinjiang's rich hydrocarbon wealth were ordered to leave more money in the province in the form of taxes; and "special economic zones" were established in Kashgar (in southern Xinjiang Province) and Khorgos (a land crossing with Kazakhstan). Emphasizing external trade for provincial development, decision makers upgraded the annual Urumqi Foreign Economic Relations and Trade Fair to the far grander China-Eurasia Expo.

But a landlocked province such as Xinjiang can be developed only if its immediate periphery is stable and prosperous enough to trade with it. Bordering Pakistan, Afghanistan, Tajikistan, Kyrgyzstan, Kazakhstan, Russia and Mongolia, Xinjiang is in the middle of a rough neighborhood. This means China has a keen interest in economic and security developments in Central Asia—stretching from the five post-Soviet Central Asian states to Afghanistan.

THIS CONCERN is reflected in a combination of security, economic and cultural efforts China has instituted across the region. Interestingly, these efforts don't seem to be a product of a complete and considered strategy. But, taken together, they show a picture more comprehensive than is often appreciated. It isn't clear that even China grasps the incidental impact of its regional activity in reshaping Central Asia or how it is perceived by regional states, as Chinese actors are simply so focused on developing Xinjiang and extracting what they want from Central Asia. With Russia's influence in the region at a historically low ebb and the widespread perception across Central Asia that the United States will strategically abandon the region once most combat troops have withdrawn from Afghanistan, Beijing has carved out an inadvertent empire. Lacking a clear strategy and attempting to keep a low profile (a characteristic Chinese approach), China has become the most consequential actor in Central Asia.

Hallmarks of this approach are heavy investments in natural resources; infrastructure development; the establishment of Confucius Institutes, nonprofit institutions sponsored by the Chinese government that promote Chinese language and culture; security exercises; and the establishment of a multilateral regional organization. China also is bolstering cross-border traders who are the economic lifeblood of the old Silk Road. Sitting atop it all is the Shanghai Cooperation Organization (SCO), which offers an umbrella for China to demonstrate that its regional activities are undertaken with the acquiescence of neighboring powers.

The driver is economics, seen most clearly in China's heavy purchasing of large mineral and hydrocarbon sites across the region. In Kazakhstan, the China National Petroleum

Corporation (CNPC) has gone into partnership with the local, state-owned enterprise (SOE) KazMunaiGaz to secure 4 percent of China's oil imports from Kazakhstan. Turkmenistan currently accounts for almost a third of China's imported natural gas—mostly coming through the speedily built China-Central Asia pipeline, which in 2011 brought some 15.5 billion cubic meters (BCM) of gas to China. CNPC aims to send 24.1 BCM this year and eventually get the flow up to 65 BCM. Further, CNPC secured the rights to develop an oil field in Amu Darya in northern Afghanistan, upriver to a project it already is exploiting in Turkmenistan. According to Kabul analysts, this field, a small one for a company as large as CNPC, is a kind of toe in the water for the Chinese SOE to prepare for future contracts in the hydrocarbon-rich area.

It is not only oil and gas that Chinese firms see in Central Asia. State-owned mining firms Jiangxi Copper and the China Metallurgical Group Corporation (MCC) partnered to invest near \$4 billion to exploit the Mes Aynak copper mine southeast of Kabul. And while Chinese firms have been less visible on recent mining tenders in Afghanistan, they doubtless noted the U.S. Geological Survey's estimate of nearly a trillion dollars worth of minerals in the country. Furthermore, Chinese mining firms have won concessions to mine for gold in Kyrgyzstan and Tajikistan.

But while this natural wealth will help feed China's insatiable demand for resources, it won't necessarily help develop Xinjiang. That will require the development of infrastructure across Central Asia. Crippled by aging Soviet infrastructure, the region is a blank canvas for outside developers. China is not the only player around. South Korea has a notable presence in Uzbekistan, while Turkish and French firms dominate the Turkmenistan market. But it is notable to see Chinese firms developing roads leading in and out of Xinjiang. The road from Kashgar to Osh in Kyrgyzstan through the Irkeshtam Pass was built by the China Bridge and Road Company. Chinese workers in distinctive green military greatcoats with shiny buttons could be found earlier this year directing trucks of dirt to complete the road's final stretches. Other roads can be found in Tajikistan with crews of Chinese repairing parts from Dushanbe toward the Afghan border. Dual-language Russian-Chinese signs mark the workers' presence. More notable in Tajikistan is the only toll road in the country, going north from Dushanbe to Khujand, built by a Chinese firm and broken up by a shoddily designed Iranian tunnel at the Shahrison Pass. This soon will be replaced by a Chinese-built tunnel.

China also has sought to help develop the region's rail systems. A train line is being built from China through Kyrgyzstan to Uzbekistan. Other train networks are being developed to strengthen links with Kazakhstan, including a high-speed train to be exported there from China. Other infrastructure elements are being spearheaded or supported by Chinese firms, including gas metering in Uzbekistan, telecoms across the region and hydropower developments in Tajikistan.

Various forms of funding have emerged. Primary among them is the use of linked loans or lines of credit provided through China Export-Import Bank. Often granted with provisions guaranteeing that Chinese firms get the contracts, these loans are breeding

a growing number of Chinese train carriages in the region as well as Chinese road crews. In addition, Chinese firms often are the winning bidders in projects tendered by the Asian Development Bank (ADB). Regional ADB officials openly praise the Chinese companies and their work. The ADB's Central Asia Regional Economic Cooperation program dovetails with China's road-building aim of connecting the underdeveloped region with its wealthier neighbors. But China wants this infrastructure to be oriented in its direction rather than toward Afghanistan, as the ADB would prefer.

The fruits of this road and rail construction are seen in the markets of Kara-Suu in Kyrgyzstan, Barakholka in Kazakhstan or as far as Türkmenabat's bazaars in Turkmenistan, just across the border from Uzbekistan. Sprawling fields harbor truck trailers with doors cut in them so merchants can peddle goods to local buyers. Traders in Uzbekistan report using Chinese roads and rail links to get goods from Guangzhou and Urumqi to their markets, while in Dushanbe the aptly named Shanghai Market offers a shrunken version of this model focused mostly on home construction. This trade includes such goods as air conditioners, televisions and knickknacks of the kind commonly associated with China. Xinjiang traders and truckers are largely responsible for this back and forth, which is helping expand China's market presence in Central Asia, opening up Xinjiang's markets and providing employment in the region.

TAKEN AS a composite, this may appear to be a coherent strategy, but there is little evidence that it was developed consciously as a grand plan in Beijing. Beyond the Xinjiang development program, the other main area of Chinese concentration has been the SCO, a somewhat half-baked organization initially formed to resolve regional border disputes. For Beijing, the ideal would be for the organization to become a vehicle through which it can direct China's economic investments in the region. Beijing policy makers have advanced notions of creating an SCO development bank and an SCO free-trade zone. At the latest summit in Beijing, China pledged \$10 billion in regional support through the organization. But this eagerness is not shared by other SCO members—in particular Russia, which sees China's rise in Central Asia as a direct threat to its interests. Regional powerhouses such as Kazakhstan also fear being overwhelmed by the Chinese economic machine.

This fearful undertone of economic dominance runs throughout Central Asia. Uzbekistan looks at Kyrgyzstan with concern, nervous of its fate if Chinese goods take over Uzbekistan's economy in the same manner that they dominate Kyrgyzstan. The fact that Chinese firms entering Central Asia often bring their own workers from China raises fears of employment deprivation and eventual Chinese regional dominance. Conscious of this, China has made efforts to develop cultural links with the region to dispel such concerns.

These efforts involve sending cultural delegations to Central Asia, including Chinese orchestras and theater troupes. But the Chinese government also has sought to import the Chinese language through a network of Confucius Institutes. In Kyrgyzstan, institutes and affiliate organizations can be found in Bishkek, Osh, Jalabad and Naryn.

In Tajikistan, a main institute in Dushanbe has a single satellite in a city near Khujand. In Uzbekistan, the institute offices are poor competitors to the local Chinese-language educational system, a leftover from Tashkent's historical role as the region's educational and economic leader. But even there, local university Chinese departments rely on professors from China to help them teach locals. In Kazakhstan, institute offices are in Astana and Almaty, based out of local universities and providing Chinese education in Kazakhstan's growing educational system. Turkmenistan has no Confucius Institute presence, although a pair of Chinese teachers reportedly work out of the Turkmen National Institute of World Languages. And in Afghanistan, the institute office at Kabul University is run by an earnest, young Afghan Mandarin speaker while Beijing-sent teachers wait for the country to stabilize. Institute students largely plan to become traders or help their parents trade. A number have been recruited by Chinese firms operating regionally that seek managers or translators.

China also has welcomed Central Asian students at its universities, offering scholarships through the Confucius Institutes and other outreach efforts. Exact numbers are hard to come by, but there are at least a thousand Turkmen students in China, and in 2010 nearly eight thousand Kazakh students studied in China. Some of these Central Asian students participate in the SCO university program, a network of fifty-four universities across member states that sends groups of students across borders for course work. The long-term effect of these educational links is that China increasingly is building a profile as the power of the next generation in Central Asia. It is difficult to project, but the impact will be felt once today's student generation begins to dominate the workforce and hold positions of power. This is not a centralized effort by China, but local knowledge of Chinese language and familiarity with Chinese culture ultimately will come to shape the future of China's inadvertent empire.

THE COUNTRY'S engagement in Central Asia naturally pulls attention to the SCO. As the only regional organization set up and led by China, it is a symbol of the importance Beijing places on the region to its west. The SCO's makeup of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan poses a natural rivalry with Russia's regional organizations: the Collective Security Treaty Organization (CSTO), the Eurasian Economic Community and the largely dormant Commonwealth of Independent States. There is also intense bilateral competition among member states: Tajikistan and Uzbekistan, Kazakhstan and Uzbekistan, China and Russia. It is notable, however, that of all of the multilateral organizations in the region, the SCO is the one that Tashkent, for example, seems to take most seriously, participating at high levels at summits and contributing forces to military exercises. Uzbekistan's 2012 withdrawal from the CSTO reflected not only dissatisfaction with Moscow but also a willingness to draw closer to China as a strategic partner. This does not necessarily imply the perception of a reduced threat from China. It may be that states in the region are adjusting to the inevitable: China will dominate the region economically, even as Russia remains the most pugnacious outside power there.

The SCO's official statements would suggest it is an anti-Western and in particular an anti-American organization. In 2006, the United States sought to become an observer country but was rejected. The 2005 SCO summit issued a statement calling for NATO and the United States to set a timetable for withdrawing their military presence from SCO -member territory. Official Chinese coverage of the event interpreted the statement as calling on the United States to cease security cooperation in Central Asia so the SCO could "safeguard" the region. But these statements square neither with the broader foreign policies of the member states nor with the actions and capabilities of the SCO as an institution. They reflect the wariness toward the West of the organization's two heavyweights, China and Russia, but not the studiously multivector foreign policy of Kazakhstan or the intensely flexible foreign policy of Uzbekistan. Kyrgyzstan has maintained a U.S. military presence since 2005, while Tajikistan is increasing its cooperation with the United States as the combat-troop withdrawal in Afghanistan draws nearer. Uzbekistan recently reengaged with Washington after six years of keeping its distance. But not even Beijing and Moscow have lived up to the SCO's confrontational rhetoric. Russia helps significantly in the resupply of NATO forces in Afghanistan, and China has aided U.S. efforts there in more quiet ways.

That poses two questions: How will the SCO grapple with the changed security environment in Central Asia after the U.S. combat-troop withdrawal from Afghanistan in 2014? And will its anti-Western pronouncements lead to concrete actions? Currently, the SCO is ill equipped to live up to aspirations of regional collaboration, much less lofty goals of safeguarding Central Asia. The SCO has held regular "peace missions," military exercises that combine the armed forces of some or all member states, although the vast majority of forces are from China and Russia. These have been notable as the first opportunities in decades for Chinese forces to practice operations outside China's borders. The exercises also allow China and Russia to showcase military equipment that they hope other member states will procure. But until recently such joint training exercises have been beset by troublesome language barriers. The language problem reportedly now has been remedied, so it will be worth observing future exercises to evaluate the extent to which they serve as effective joint training to combat what the SCO terms the "three evils": terrorism, separatism and extremism.

Even so, it's an open question whether the training will be used in reality. The SCO did nothing in response to recent bouts of political unrest—including violent ethnic clashes in Kyrgyzstan in 2010 that spilled over into Uzbekistan and intense combat in Tajikistan's Gorno-Badakhshan region in 2012, which seems to have crossed the border with Afghanistan. These incidents certainly seem to be examples of terrorism, separatism or extremism and were not solely internal problems of member states. Even when Kyrgyzstan's government was toppled in 2010, the SCO declined to respond on the grounds that the events were an internal political matter.

The one concrete manifestation of SCO collaboration to combat the three evils is the unfortunately acronymed Regional Anti-Terrorist Structure (RATS) in Tashkent, whose mission is to serve as an information-sharing hub coordinating joint actions by member

states. During a visit to the center, officials explained that this consists of maintaining a database on undesirables submitted by member states and translating information between Chinese and Russian. Should one such undesirable from China, for example, be spotted in Kyrgyzstan, RATS would coordinate apprehension and extradition. It is not clear if RATS played a part in the bilateral understandings that reportedly exist between China and its Central Asian neighbors on transferring suspect Uighurs to Chinese custody.

Although the SCO is a multilateral vehicle for Chinese regional engagement, it remains a largely empty institutional shell that may or may not become substantive. Prospects seem slim that it will accede to Beijing's desire that it develop its economic profile. Meanwhile, none of its members, including China, seem willing to subordinate their diplomatic pursuits or security priorities to SCO goals, and even information sharing and collaboration outside of the narrow RATS mission is limited. But the SCO contributes to China's inadvertent empire by providing a forum through which it can air ideas to its Central Asian neighbors and gauge the reaction of its most immediate geopolitical competitor in the region: Russia. In this sense, it is similar to China's embassy in Bishkek. The SCO is preparing the ground for China's future in Central Asia, even if Beijing has yet to decide what it thinks that future should be.

UNTIL THE middle of 2012, the SCO largely ignored the elephant in the Central Asian room: Afghanistan. In late 2011, when pressing Chinese think tankers in Beijing about a possible role for the SCO in a post-American Afghanistan, the authors received vociferous denials and detailed explanations about the SCO's lack of capacity for such a daunting and complex challenge. Some member states, including China, had engaged on a bilateral basis with the United States and the Afghan government to provide humanitarian aid. The Northern Distribution Network, a NATO resupply program through Central Asia, involved some SCO governments in indirectly supporting U.S.-led efforts in Afghanistan, but the SCO as an organization maintained a studied reticence.

That all changed in June 2012 at the SCO's twelfth summit for heads of state. Not only were the summit's proceedings focused on Afghanistan's future, but the former "dialogue partner" also was accepted as an official observer, a possible step toward membership. Observer status allows Afghan representatives to take part in SCO consultations at summits and other meetings. Chinese president Hu Jintao announced that the SCO should contribute to Afghanistan's "peaceful reconstruction," although Russia's envoy to the summit emphasized the group would not assume responsibility for Afghan security. Underscoring the group's inherent tensions, the \$23 million aid package for Afghanistan announced at the summit was a bilateral agreement between Beijing and Kabul. Other member states announced their own limited bilateral assistance.

Beyond that, Hu Jintao and Afghan president Hamid Karzai signed a bilateral "strategic partnership" between their two countries. It provides for such things as Chinese investment and scholarships for Afghan students to study in China. The numbers

involved are small, with Chinese imports from Afghanistan amounting to only \$4.4 million in 2011. The aid pledged is part of an estimated \$75 million that China has allocated for Afghanistan over the next five years. This pales in comparison to the \$10 billion in development loans pledged to SCO member states at the June summit alone. Part of this reflects China's general reluctance to disburse development aid abroad. The issue is controversial domestically, as large swaths of the country's interior remain underdeveloped. But a continuing sense of uncertainty about what is going to happen next in Afghanistan is also a factor.

Chinese aid tends to stand in inverse proportion to the international investments of its SOEs. The world's second-largest copper deposit at Mes Aynak was awarded to MCC in 2008 on a thirty-year lease. The tender was secured by offering the Afghan government a number of corollary benefits: generous 20 percent royalties on the copper extracted; plans to build a coal-fired four-hundred-megawatt power plant to serve the mine as well as Kabul; and provisions for building schools and transport infrastructure in the mine's vicinity, including a railroad across the Afghan border to haul the copper to market. But, as far as could be determined through our research in Afghanistan, few if any of these plans have gone forward. China pulled back on earlier promises to develop a railroad to connect the site to possible markets. The extraction project was delayed, according to official reports, because 1500-year-old Buddhist ruins were found on the site. More likely the delays resulted from security concerns. MCC reportedly has established relationships with local leaders and militants to ensure the project's safety, but it seems that the most prudent strategy is to assess what happens after U.S. combat forces withdraw in 2014.

In contrast, CNPC's oil investment in the Amu Darya river basin in northern Afghanistan seems to be moving full speed ahead. The tender for twenty-five years of drilling rights also was won by offering generous 15 percent royalties on the oil and a 20 percent corporate tax on revenues. On top of this, 70 percent of profits will go to the Afghan government. CNPC also has revealed plans to build a small refinery to process the oil for domestic consumption, which currently is dependent on imports. The Afghan government soon may start seeing some of the estimated \$300 million per year it expects. CNPC has moved at its customary lightning pace; production is set to begin in 2013. This is partly to do with the modest size of the project and its proximity to the surface. With an estimated eighty-seven million barrels of oil available, its reserves pale in comparison to Persian Gulf or Caspian fields. That's why, as mentioned, speculation has mounted that CNPC's long-term goal in the area is to exploit potential natural-gas reserves, part of massive formations across the border in Turkmenistan.

Potentially related, CNPC has announced plans for the fourth string of the Central Asia-China natural-gas pipeline to be routed from Turkmenistan through northern Afghanistan and Tajikistan to Chinese territory—an alternative to the current route through Uzbekistan and Kazakhstan. This may be motivated in part by transit disputes between Astana and Beijing, but Chinese officials loudly touted the development benefits to Afghanistan. The third string of the pipeline has yet to be completed, so the route for the

fourth probably depends on the relative stability of Afghanistan's northern provinces over the next couple years.

Despite a track record of operating in difficult political climates and conflict zones around the world, Chinese companies in Afghanistan manifest a moderate risk tolerance. Like Afghanistan's neighbors and many elements within the country, Chinese actors look to the period after the withdrawal of U.S. combat troops to determine their strategies there. Given the close Chinese-Pakistani relationship, Beijing likely will look to Islamabad for guidance. Still, Afghanistan remains a significant part of China's inadvertent empire in Central Asia. Beijing's search for natural resources and its eagerness to build infrastructure to get those resources efficiently to China have given it a political role in the country and a geopolitical profile in the region.

THIS IS the story across Central Asia. Although various Chinese actors focus on individual parts of the overall regional engagement, the whole is greater than the sum of its parts. Strategists in Beijing may not have a coherent strategy for Central Asia, but no other outside force is as comprehensively involved, as dynamic in its engagement or as committed to the long term in all six Central Asian states, including Afghanistan. Seeing this, Central Asian government and business leaders increasingly throw in their lot with China. Kyrgyzstan does so because it must. Turkmenistan, courted by many other countries, does so because it wants to. In the rest of the countries, the situation is somewhere in between.

But the web of connections that China is forging across the region is of global consequence. It is the realization of the "New Silk Road" vision articulated by the U.S. State Department and the Asian Development Bank but with the connections oriented largely toward Xinjiang. The resources made accessible by these connections are headed for Chinese consumption. Questions remain about whether India or the states across the Caspian will be linked in as well. Russia may find itself less integrated into the new web, which could lead to greater Chinese-Russian tensions or increased Russian pugnacity in the region.

The SCO may stem some of the great-power rivalry between Beijing and Moscow, and so far Russian leaders have reacted to China's inadvertent empire with quiet acquiescence despite attempts at a "Eurasian union" or customs agreements entailing rather feeble tariff barriers against Chinese goods. Beijing and Chinese business leaders are not fazed by either effort. While severely lacking in institutional capacity, the SCO is at the moment emerging as the most inclusive and respected international organization in Central Asia, and it is quietly expanding its geopolitical influence. It recently welcomed Turkey as a "dialogue partner," an illustration of the emerging cross-continental partnership between China and the other dynamic economies of Central Asia. The SCO's real test will be how it addresses the future of Afghanistan, and here China's role in Central Asia most affects U.S. interests.

Neither China nor the SCO is likely to take responsibility for Afghanistan should events not run smoothly once U.S. combat troops withdraw in 2014. Chinese investments, security concerns regarding Xinjiang and Beijing's close relationship with Islamabad, however, will almost certainly shape the direction of the country in the coming decade. In the long term, China's inadvertent empire in Central Asia will have geopolitical consequences for U.S. and Western influence in Mackinder's most pivotal geographic zone on the planet. Should Washington become preoccupied with the Asia-Pacific in its China policy, it not only will be missing the more profound manifestation of China's global posture but also could find it far more difficult to cultivate relationships with the countries of Central Asia. China may not be seeking an empire in the region, but it is the only power active in a comprehensive, long-term manner. If other outside powers do not also engage, China's lock on Central Asia, to the exclusion of the United States, will be not only inadvertent but also inevitable.

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