



Great Game Revisited: China's Grand Eurasian Strategy through the Prism of **'One Belt One Road'**



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China in Central Asia

Central Asia has been the playground for geopolitical rivalries for centuries. The 19th century 'Great Game' between the British and Russian Empires to defend their colonial interests was played owing to the region's proximity to Afghanistan and India. In the 20th century, Central Asia again became the focus of a renewed geopolitical interest among Russia, China, and the West, dubbed as the 'New Great Game.' This was primarily centered on acquiring control over the region's hydrocarbon and mineral resources. Against this background, the current geopolitical scenario in Central Asia results from this longstanding power struggle in the region.

The collapse of the Soviet Union and the emergence of five independent Central Asian Republics provided fresh opportunities for regional and international powers to exert their political and economic progressions. It has also well corresponded with the escalating Chinese economic aspirations. Increasing demand for energy resources for its fast-developing manufacturing sector stimulated China's interests in Central Asia. Subsequently, China initiated investments in energy infrastructure development to access Central Asian oil and gas. The Kazakhstan-China oil pipeline commenced service in 2003, and the China-Central Asia gas pipeline started operating in 2009. These two projects expanded significantly over the years and are considered necessary for China's crucial energy import from Central Asia. Also, trade with Central Asia has placed China as the leading economic partner of the region.

China's rise as a significant power in Eurasia is not a phenomenon that emanated suddenly, but it evolved gradually. Post-Soviet collapse, China garnered greater ambitions of maintaining cordial relations with newly independent CARs, which was not the case earlier due to Sino-Soviet animosity. One of the motives behind

Chinese engagement in Central Asia was restricting plausible support to its Uyghur separatists in Xinjiang. Uyghurs share ethno-cultural and religious similarities with their Central Asian neighbours; therefore, China sought to build trade and economy to engage with the newly independent Central Asian Republics (CARs). These Republics were also in dire need of stabilizing their economies. This interchange has gradually transformed from receiving economic benefits to availing geopolitical leverages with an ever-increasing Chinese engagement in the region.

China's interests and activities in Central Asia have been part of a sensibly shaped strategy.¹ After the Soviet Union's disintegration, China's primary concern was to have cordial relations with Central Asia. Subsequently, China demarcated and demilitarized its borders with Kazakhstan, Kyrgyzstan, and Tajikistan. In the early 2000s, China designed the Shanghai Cooperation Organisation (SCO) to curb common security threats. In the first half of the 2000s, Beijing established itself in the Central Asian market, mainly hydrocarbons, extractive industries, infrastructures, and communications. As a final point, since 2005, China has been trying to establish ways to promote its language and culture as a part of its soft power play in Central Asia to reduce its negative impact. China has improved its reputation to a certain extent through its soft power diplomacy, especially among the local elites. Ultimately, it has positioned itself as one of the most influential external actors in the region, surpassing Russia in economic terms, but not in strategic or cultural affairs.²

Central Asia, particularly Kazakhstan, carried significance for China due to its geostrategic location at the confluence of East and West. In Kazakhstan, Chinese companies currently own more than a quarter of oil production. In Turkmenistan, gas sale to China accounts for half of the country's total exports. Across the region, China provides cheap infrastructural loans. State-controlled Exim Bank is the single largest creditor to both Kyrgyzstan and Tajikistan. Chinese President Xi Jinping has made investments in Central Asia a critical plan of his foreign policy. And Chinese investors and business people are floating in the cities like Almaty in great numbers. Moreover, Chinese products have also taken over the Central Asian markets.

Even though China is increasingly an important partner of Kazakhstan, there are still apprehensions about the growing Chinese role and its implications. In 2016, widespread anger spilled into large-scale demonstrations due to land reforms, which generated unrest among the local population that Chinese companies would be allowed to buy Kazakh land.³ Although China's growing investments shape Central Asian economies and provide opportunities to the local population, it also bears some severe concerns. For example, the influxes of Chinese money and workers have created serious social and political challenges.

China's economic initiatives in Central Asia have benefited both sides while also posing certain geopolitical repercussions for the Central Asian region. China's relations with Central Asian countries have steadily progressed beyond economic and trade cooperation to military and security cooperation. These factors can be attributed to China's multi-dimensional approach toward Central Asia.⁴ Consequently, launching the One Belt One Road (OBOR) initiative in Astana, Kazakhstan in 2013 was envisioned to realize some strategic determinations vis-a-vis economic transmissions.

It is essential to analyse China's reconceptualization of its Central Asia policy by unveiling the Silk Road

Economic Belt (SREB) as a crucial aspect of OBOR and instituting Central Asia as the main transit route to access Western markets. Incidentally, China restructured its relations with Central Asian countries as part of the SREB engagement model. China adopted a more calculated concept through this re-engagement model, adding to its other engagement patterns with Central Asia. Through SREB, China desired to bring its developmental perspective with the region to the forefront.

The CARs are aware of their geopolitical significance and play a key role in determining their interactions with regional and international players including China based on their respective objectives. Therefore, they are active participants in ongoing negotiations and bargains. OBOR is portrayed by Beijing as a multinational initiative, but it is conceived and implemented bilaterally, giving China more clout. This paper will illustrate that China's OBOR has increased Chinese influence in Central Asia through a thorough analysis of trade, economic, political, and security cooperation between China and Central Asia.

Situating Central Asia in Chinese Foreign Policy

The central Asian region has been under Russian influence even after the collapse of the Soviet Union, and China was precisely concerned about Russia's role in the region. Therefore, it was very tricky for Chinese policymakers to pave inroads into Central Asia without making Russia diffident. However, the long-persisted Russia-China competition, especially in their common neighborhood, turned into cooperation in 2014 after Russia annexed Crimea and the West put strict financial sanctions against it. Gradually, China has overpowered Russia in Central Asia in terms of trade and economic engagement, but Russia is still the closest security and political ally of CARs. China's massive investments through OBOR aim to gain geopolitical leverage in Central Asia, including in the security and political spheres.

China's interests in Central Asia are multifold; these are discussed below under the heads of: (1) *Geostrategic Factors*; (2) *Energy Security*; (3) *Trade*; and (4) *Development Assistance Projects*; and (5) *Political-Military Cooperation*.

1. Geostrategic Factors: Central Asia and Uyghur Separatist Movement in Xinjiang

First, Central Asia's importance lies in its strategic location, making the region an integral part of China's surrounding areas and a target of Chinese diplomacy toward neighboring countries. The region's strategic value becomes even more evident due to its geographic proximity and close historical and cultural ties with Xinjiang, China's largest administrative unit and frontier territory with a complex ethnic composition. China's only border with Central Asia is through Xinjiang, which is around 1,700 km with Kazakhstan, approximately 1,000 km with Kyrgyzstan, and around 450 km with Tajikistan.⁵

Xinjiang constitutes a core interest in Chinese policymaking in the matter related to national sovereignty and territorial integrity.⁶ A secure external environment is requisite for safeguarding Xinjiang's security and economic development, thus consolidating China's territorial integrity. Beijing's leading role in establishing the SCO demonstrates the significance of China's Central Asia policy. The main driver was China's purpose of

securing regional cooperation in tackling the so-called “three evils” of religious extremism, ethnic separatism, and international terrorism.

In the early 1990s, Central Asia and Xinjiang witnessed turmoil in their socio-economic and religious affairs, mainly controlled by the state authorities. The CARs attained independence from the Soviet Union and had a troublesome economy and fear of increasing Islamic fundamentalism. On the other hand, Xinjiang continued facing socio-economic problems due to the *Hanification* of the region, leading to the migration of Uyghurs from Xinjiang to Central Asia and other migrant-friendly countries, Turkey, Germany, and the USA. China feared that the newly independent CARs having ethnic similarities with Uyghurs might support anti-Chinese activities. Therefore, it tried to build cordial relations with Central Asia based on increased economic engagements, mainly trade and imports of energy resources.

The stability of Xinjiang is at the centre of security concerns in the People’s Republic of China.⁷ In 1949, China took control of this region and started using strict measures to suppress the Uyghur Separatist Movement as it was termed by China’s Communist regime. It was first under Mao Zedong when the suppression of ethnic Uyghurs started in Xinjiang through the ‘Great Leap Forward’ and ‘Cultural Revolution.’ However, his successor Deng Xiaoping adopted a moderate approach to appease the rising ethnic unrest.

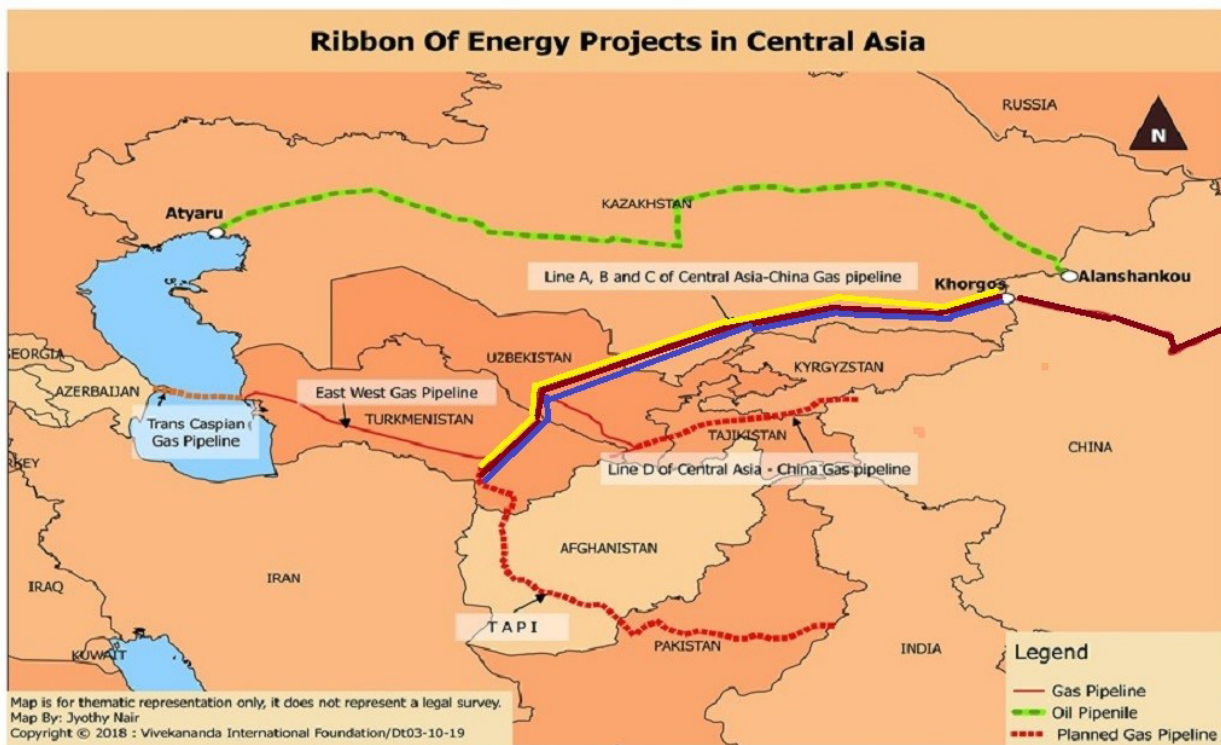
Evermore Han influx from mainland China to the Xinjiang Uyghur Autonomous Region (XUAR) and their occupation of a significant portion of government positions and businesses has fueled resentment among ethnic Uyghurs. The successive Chinese governments have strictly controlled the religious and cultural practices of the Uyghurs. Chinese leadership distinguished a fear of mixing internal turbulences with external threats, probably arising from Central Asia. Therefore, in the Post-Soviet period, China vigorously and carefully executed its Central Asian policy by keeping its Uyghur issue in mind.

Xinjiang is an essential linkage in China’s Belt and Road Initiative and is home to China’s largest coal and natural gas reserves. Xinjiang’s importance in connecting Central Asia with China is unfathomable. Human rights organizations have observed that Han Chinese often disproportionately enjoy resource extraction and development, and Uyghur people are increasingly marginalized.⁸ Frustrated Uyghurs fled in significant numbers from Xinjiang to Central Asia, Turkey, and eventually Europe and the United States. Beijing would pay a high price if Xinjiang became unstable. As a result, China used forceful tactics to repress Uyghurs, including mass detention in internment camps. At the same time, Beijing exerted an enormous economic influence over Central Asian countries, ensuring that Uyghur activities in their own territories were not supported.

2. Energy Security and Potential Markets in Central Asia

Energy cooperation is one of the most crucial factors determining China’s relations with Central Asia. Central Asian countries possess vast reserves of energy resources, and China is a close neighbor who has the advantage of importing these resources more efficiently than any other country. China is already receiving natural gas from Turkmenistan and Uzbekistan and oil from Kazakhstan through three operational China-Central Asia Gas pipelines. It starts at the Turkmen-Uzbek border city of Gidaim, runs across Uzbekistan and

Southern Kazakhstan, and finally ends at Horgos in Xinjiang. From Horgos, it gets connected to the second West-East Gas Pipeline, which caters to the need of the bustling cities of China's eastern provinces.⁹



Source: <https://www.vifindia.org/print/7050>

Three parallel pipelines, A, B and C, each running for 1830 kilometers. Work on A and B commenced in July 2008 and became operational in December 2009 and October 2010 respectively. The delivery capacity of these lines is 30 billion cubic meters (bcm) per annum. Construction for Line C started in September 2012, and it became operational in 2014 with a 25 bcm per annum delivery capacity. These pipelines are jointly constructed by China National Petroleum Cooperation (CNPC) and its counterparts in Central Asian countries. Line D of the same gas Pipeline is a proposed line. China signed agreements with Uzbekistan, Tajikistan, and Kyrgyzstan in September 2013 to initiate the work on this line. Line D is expected to raise Turkmenistan's gas export capacity to China from 55 bcm per year to 85 bcm.¹⁰

Line D Passing through Kyrgyzstan, Uzbekistan, and Tajikistan face some delays due to Kyrgyzstan's lukewarm response. This project has been subject to postponements, delays, and revised start dates that have proved to be mostly ceremonial from the first announcement. Completion dates were first reported as 2016, then 2020, and now 2022.¹¹ Tajikistan will be a transit nation and will not be eligible to tap the gas for its own needs. There is also ambiguity about the payments made by China as a transit fee. China will also install a fiber-optic communication cable alongside this pipeline, which is needed to manage the pipeline. Still, there are commercial provisions for Tajikistan to buy data at a low cost.¹² According to the latest reports, Tajikistan has completed the construction of a tunnel related to Line D.¹³

3. China's Trade with Central Asian Republics

Turkmenistan

Turkmenistan's Top Five Trading Partners

Export (in USD millio						Import (in USD millions)					
Year	2000	2005	2010	2014	2020	Year	2000	2005	2010	2014	2020
China	8	18	985	8,978	4,444	Turkey	253	191	1,208	2,365	834
Afghanistan	38	...	110	...	425	Russian Federation	255	237	762	1,225	670
Turkey	186	151	364	588	301	China	16	96	553	1,011	426
Uzbekistan	6	374	Germany	53	141	363	387	203
Russian Federation	1,029	73	140	86	302	Korea, Republic of	0	7	116	205	73
Total (From all sources)	2,918	4,717	2,726	11,303	6,435	Total (From all sources)	1,789	1,941	4,524	8,363	3,155

Note: Data compiled by the author. Source: ADB database.

Turkmenistan is the largest exporter of natural gas to China. Before 2009, Turkmenistan exported around 90 percent of its natural gas supplies to Russia. But after a pipeline explosion in 2009, Turkmen exports to Russia declined precipitously, from more than 40 bcm in 2008 to almost nil by 2017. Turkmenistan subsequently began exporting much of its natural gas to China instead, sending nearly 30 bcm by 2017, up from about four bcm in 2010.¹⁴ A price dispute with Iran has made China Turkmenistan's only natural gas customer. And because natural gas accounts for 80 percent of the government's revenue and 35 percent of the country's gross domestic product, the Turkmen economy depends overwhelmingly on Beijing.¹⁵ Turkmenistan's dependence on the Chinese market has also gradually deepened. In 2009, the commissioning of the Central Asia-China Gas pipeline (CACG) turned Turkmenistan's taps decisively eastward.¹⁶

Turkmenistan's imports have fallen drastically to almost 70 percent since 2014 due to Turkmenistan's economic policy to defend its overvalued currency, the manat. The government has tightened control over imported goods and limited access to hard money to achieve this.¹⁷

Kyrgyzstan

Kyrgyzstan's Top Five Trading Partners

Exports (in USD million)						Imports (in USD million)					
Year	2000	2005	2010	2014	2020	Year	2000	2005	2010	2014	2020
United Kingdom	19	2	9	1	990	China	37	103	666	1,200	737
Switzerland	34	28	388	576	7	Russian Federation	133	379	1,084	1,840	1,316
Kazakhstan	33	116	182	459	294	Kazakhstan	57	174	385	534	500
Russian Federation	65	134	258	114	242	Turkey	27	33	85	226	195
Uzbekistan	89	17	40	164	153	Uzbekistan	75	60	94	107	189
Exports (total from all sources)	509	634	1,488	1,807	1,964	Imports (total from all sources)	556	1,112	3,225	5,685	3,684

Note: Data compiled by the author. Source: ADB database

Kyrgyzstan's trade registered a significant boost after ascending to the Russian-led Eurasian Economic Union (EEU). The EEU's single market provides the free movement of goods, people, capital, and services between member states with a standard external tariff regime. United Kingdom (UK) is Kyrgyzstan's biggest export destination. UK imports Gold from Kyrgyzstan. China has become Kyrgyzstan's leading source of imports, accounting for two-fifths of all goods brought into Kyrgyzstan. Machinery, clothing, and other manufactured products make up the bulk of the basket of items bought by Kyrgyzstan from China in 2017.¹⁸ However, there is a sharp decrease in Chinese exports to Kyrgyzstan in 2020. This deceleration might be the coronavirus pandemic and its impact on transportation and border regulations. Russia is the second-largest exporter of Kyrgyzstan. Kyrgyzstan's trade with its Central Asian neighbours, especially Kazakhstan and Uzbekistan, has increased gradually.

On May 8, 2015, China and Russia signed the Joint Statement on Cooperation on the Construction of the Joint EEU and the Silk Road Projects. China supports the Russia-led EEU, while Russia formally and explicitly supports China's Silk Road Economic Belt Initiative. It has helped maintain the China-Kyrgyz trade irrespective of changing regional economic outlook.

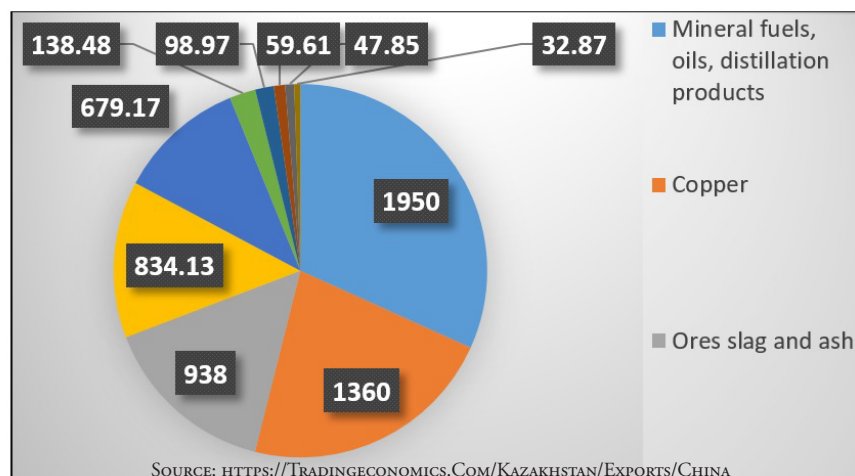
Kazakhstan

Kazakhstan's Top Five Trading Partners

Exports (in USD million)						Imports (in USD million)					
Year	2000	2005	2010	2014	2020	Year	2000	2005	2010	2014	2020
Italy	917.6	4,190.5	9,579.0	16,051.6	6,651.7	Russian Federation	2,439.2	6,591.3	5,058.1	13,807.7	14,302.4
China	673.7	2,423.9	10,121.6	9,814.9	6,755.1	China	151.0	1,251.8	3,962.5	7,439.7	6,939.4
Netherlands	226.7	877.8	4,159.8	8,726.1	3,604.7	Korea, Republic of	83.6	256.1	526.3	1,076.5	3,786.4
Russian Federation	1,751.4	2,927.2	2,702.9	6,388.5	4,879.4	Germany	335.7	1,300.7	1,844.5	2,327.1	1,541.3
France	15.8	2,665.1	4,433.0	4,689.7	2,863.5	United States	277.5	1,205.3	1,322.2	1,999.7	1,374.5
Exports (total from all sources)	9,878.7	27,855.4	56,966.8	79,433.5	48,086.0	Imports (total from all sources)	5,055.4	17,385.0	23,660.5	41,466.8	39,766.0

Note: Data compiled by the author. Source: ADB database.

Figure: Kazakhstan's Commodity Wise Exports to China, 2018 (in USD million)



Russia is still the closest political ally of Kazakhstan, but China has gradually become its largest trading partner. Kazakhstan is the most crucial component of China's Silk Road projects in Central Asia. Kazakhstan's exports of energy resources to European countries have increased gradually. Italy is the largest importer of Kazakhstan's mineral resources. China is the second-largest importer of Kazakhstan.¹⁹

Russia goes way ahead of China in its exports to Kazakhstan. Russian exports to Kazakhstan are mainly mineral fuels, oils, distillations products, machinery, nuclear reactors, boilers, iron, steel, etc. China is the second-largest import destination for Kazakhstan. The import basket includes mineral fuels, oils, copper, ores, slag and ash, iron steel, etc. Kazakhstan maintains a positive trade balance with China regarding its exports and imports. One thing to note is that Kazakhstan's trade with Korea has expanded exponentially, indicating that trade is diversifying apart from Russia and China.

Uzbekistan

Uzbekistan's Top Five Trading Partners

Year	Exports (in USD million)					Year	Imports (in USD million)				
	2000	2005	2010	2014	2020		2000	2005	2010	2014	2020
China	1,383	1,933	2,617	2,214	1,341	China	1,125	1,387	3,074	4,486	4,426
Russian Federation	764	1,068	1,445	1,223	1,172	Russian Federation	1,154	1,423	3,154	4,603	4,080
Kazakhstan	191	266	361	305	761	Korea, Republic of	535	659	1,461	2,132	1,935
Turkey	328	459	621	526	985	Kazakhstan	409	505	1,119	1,633	2,094
Afghanistan	343	480	650	550	571	Turkey	240	296	655	956	1,073
Exports (total from all sources)	4,064	5,620	7,603	6,434	13,127	Imports (total from all sources)	6,044	7,419	16,441	23,999	19,955

Note: Data compiled by the author. Source: ADB database

Since Uzbek President Shavkat Mirziyoyev came into power in 2016, the country has worked to liberalize its forex market, cut taxes, and offer preferential treatment to foreign investors. In recent years, Uzbekistan's economic reform has brought it closer to more reliable SCO members and countries along the Belt and Road for close trade and economic relations.²⁰

In recent years, China has left Russia behind in terms of export and import with Uzbekistan. Chinese exports to Uzbekistan have flared up threefold between 2005 and 2020 resulting in a trade deficit for Uzbekistan. Chinese imports from Uzbekistan have also gone up, but slowly during the same period. Total Chinese imports from Uzbekistan account for almost 40 percent of Uzbek natural gas exports. A decade earlier, China was slightly behind Russia in exports to Uzbekistan. However, according to the latest data, China outperforms Russia in terms of exports and imports to Uzbekistan.

Tajikistan

Tajikistan's Top Five Trading Partners

Year	Exports (in USD million)					Year	Imports (in USD million)				
	2000	2005	2010	2014	2020		2000	2005	2010	2014	2020
Switzerland	72.2	27.0	29.2	120.5	793.5	Russian Federation	105.1	256.5	856.5	1,518.7	1,264.5
Turkey	58.4	143.4	377.0	213.9	198.0	China	11.9	92.5	238.2	531.0	225.9
China	3.4	5.7	447.0	188.1	189.1	Kazakhstan	82.4	168.3	292.7	445.9	378.6
Russian Federation	258.8	82.8	101.8	187.7	216.3	Uzbekistan	185.6	152.9	71.8	83.1	359.5
Uzbekistan	97.8	66.5	8.6	10.8	103.8	Iran	7.6	30.9	141.6	181.7	141.4
Exports (total from all sources)	782.5	939.2	1,275.5	1,029.7	1,796.1	Imports (total from all sources)	677.8	1,469.7	2,804.9	4,190.9	4,001.2

Note: Data compiled by the author. Source: ADB database.

Tajikistan's trade with its neighbours has increased in recent years due to a favorable political environment created after the death of the founder President of Uzbekistan, Islam Karimov, who backed a closed economy for the Uzbek Republic. After he died in 2016, New President Shavkat Mirziyoyev adopted measures to diversify the Uzbek economy. As a result, Tajikistan's trade with Uzbekistan recorded a minor growth. Tajikistan is incredibly significant for China's OBOR because of its location being the transit and potential market for Chinese goods.

Tajikistan's exports to China have been falling since 2010. Russian exports to Tajikistan remain higher than China. However, the Chinese export to Tajikistan remained higher than imports, but they slightly decreased in recent years. Besides OBOR investments, trade between China and Tajikistan has been recorded as lower than Tajikistan's trade with Russia, Turkey, and some European countries. Tajikistan is a developing country that is economically mismanaged and is heavily dependent on Chinese loans, grants, and investments. However, Russia is the closest political ally of Tajikistan and is the leading exporter to Tajikistan, leaving China far behind.

4. Development Assistance Projects

a. OBOR as a Tool of Chinese Foreign Policy

In September 2013, Chinese President Xi Jinping launched his ambitious project 'One Belt One Road' at Nazarbayev University, Astana, Kazakhstan. One of its parts, 'Silk Road Economic Belt,' primarily focused on connecting the East with the West like the historical *Silk Route*, using substantial infrastructural investments in infrastructure and connectivity.²¹ In his speech, the Chinese President said that "to forge closer economic ties, deepen cooperation and to increase development space in the Eurasian region, we should take an innovative approach and jointly build an 'economic belt along the Silk Road'. it will be a significant undertaking benefitting the people of all countries along this route. To turn this into a reality, we may start with work in particular areas and link them up over time to

cover the whole region.”²²

This Chinese initiative envisages completing more than 100 small- and large-scale infrastructure projects that would improve China’s connectivity with Western Europe via Central Asia and Russia, including roads, railroads, pipelines, industrial parks, and special economic zones. OBOR encompasses nearly half the world’s population, vast resources, and 40 percent of global GDP.²³ As of 2021, 139 countries – including the Central Asian states – had endorsed OBOR.²⁴ The plan is to be accompanied by large-scale investment from Chinese companies and institutions such as the Silk Road Foundation with USD 40 billion and the Asian Infrastructure Investment Bank (AIIB) with USD 100 billion.²⁵ Also, Beijing plans to provide development aid to the countries that participate in this project.

Central Asia is placed highly in Chinese foreign policy, especially concerning the OBOR because of its proximity to China’s volatile and underdeveloped Xinjiang region. However, with the launch of the SREB, Xinjiang became the stimulus for OBOR and China’s increased and even more legitimate engagement with Central Asia. OBOR apprehends Asia and Europe as a single geographical entity, and Central Asia is the focal point, along with receiving massive Chinese investments and increased economic integration.²⁶

With the commencement of the OBOR in 2013, China accelerated its geo-economic strategy to widen and extend overland trade and infrastructural connectivity to reach out to the broader Eurasia and Europe. It has justified engagement with Central Asia and paved the way for further cooperation in military and strategic affairs. OBOR also has promising prospects for China’s strategic agendas regarding Xinjiang and human rights violations against its ethnic and religious minorities. The developmental perspective of OBOR has swayed Central Asian countries, especially Kazakhstan and Kyrgyzstan. Despite large-scale protests against the Chinese handling of ethnic Kazakhs and Kyrgyz in Xinjiang, these post-Soviet republics have not raised their voices. Moreover, they have kept their relations with China to ignore the anti-Chinese sentiments amongst the population.

On several occasions, former President of Kazakhstan Nursultan Nazarbayev exemplified why China is being favoured in Central Asia while CARs are a bit apprehensive about the Western agenda in the region. He said that China refrains itself from interfering in the internal political affairs of Central Asian countries. In contrast, Western countries try to intimidate the Central Asian governments by raising issues of flagging human rights situations, deficient democratic and civil society development, etc.

b. China’s Investments in Central Asia

Since the SREB was launched, Central Asia has received roughly US\$ 25.5 billion from China²⁷, a figure that comprises both SREB and non-SREB financing from private and state-owned enterprises and that supported 42 projects. Fifty percent of these funds were used to launch fifteen energy projects, while around twenty-two percent were allocated to eight projects in the transport

sector.²⁸ Both of these sectors reflect China's strategic interests in Central Asia. The volume of China's foreign direct investments in five Central Asian countries in 2013 was 8.9 billion USD which reached to 14.7 billion USD in 2018, almost 40 percent increase in five years.²⁹

China's investments in Central Asia have reached 40 billion USD by the end of 2020. In the same period, it reached 21.4 billion USD in Kazakhstan, 4.6 billion USD in Kyrgyzstan, over 10 billion USD in Uzbekistan, and over 3 billion USD in Tajikistan. The Silk Road Economic Belt Initiative has aided in the rapid completion of large infrastructure projects, particularly transportation and connectivity. Over 8,000 container trains travelled from January to August 2021 as part of the international transportation initiative from China to Europe, carrying over 9.1 million tonnes of commodities. This is a 49 percent increase over the previous year.³⁰

c. BRI Rail and Road Projects in Kazakhstan

Kazakhstan is the strongest pillar in two of the proposed six economic corridors under SREB, i.e., the China-Central Asia-West Asia Corridor and the New Eurasian Land Bridge connecting China and Europe via Central Asia. Being the biggest of all the CARs in terms of area and economic weightage, Kazakhstan supported the Chinese project, unlike some other countries in the region. However, they are still uncertain, cautious, or less confident in dealing with a giant neighbour like China.³¹ After one year of unveiling China's OBOR in 2013, Kazakhstan launched its national development vision, *Nurly Zhol* (Bright Path), part of Kazakhstan's 2050 strategy. Former Kazakh President Nursultan Nazarbayev, while announcing his vision, also broadcasted about the coordination between SREB and *Nurly Zhol*. By emphasizing coordination between *Nurly Zhol* and SREB, China and Kazakhstan took their economic partnership to a new level.

Kazakhstan is a key player in the revitalised China-Central Asia partnership. Bilateral trade in energy resources with China controls nearly a quarter of Kazakhstan's oil reserves, bolstering Kazakh-China relations. Kazakhstan plays a critical role in China's ambitious 'Eurasian Railroad' because it is advantageously located between China and the European markets. This transport link boosts economic relations between Kazakhstan and China, connecting the border towns of Horgos in China and Khorgos in Kazakhstan. Indeed, Kazakhstan is developing the Khorgos Eastern Gate Special Economic Zone (SEZ), the Khorgos Dry Port, and the Khorgos International Centre of Boundary Cooperation (ICBC) on their side of the border. This project connects Xinjiang with Central Asia "to provide access for Chinese goods to markets in the Middle East, Europe, and Africa."³²

While Russia remains Astana's closest political ally, China has gradually become Kazakhstan's leading economic partner. According to Ardak Kasymbek, managing director of Kazakhstan's state energy company KazMunygaz, Kazakhstan has given China control of up to 30 percent of all oil extraction as of April 2016.³³ In 2005, the China National Petroleum Corporation bought Petrokazakhstan, the former Soviet Union's largest oil company, for US\$4.18 billion and spent another US\$700 million on a pipeline that would take the oil to the Chinese border. In 2009, China lent US\$10 billion to

Kazakhstan and gained a stake in Mangistau Munai Gas. In 2016, China and Kazakhstan's governments agreed on a package of industrial projects worth 26 billion USD, including mining, chemicals, and petrochemicals, via some 50 joint-venture companies. Chinese investments in Kazakhstan include railroads, highways, and energy-related projects.³⁴ Currently, China accounts for around 24 percent of Kazakhstan's oil output and approximately 13 percent of its gas production. In terms of reserves, China controls little more than 6 percent of the country's oil.³⁵

Judging from the growing links between Kazakhstan's financial sector and China through the Silk Road Fund, the China Development Bank, the China Export-Import Bank, and the Shanghai Stock Exchange, SREB comes with advantages and grave societal concerns at the grassroots level as well. There is a transparent reticence in Kazakhstan towards the Chinese embrace.³⁶ The dry port of Khorgos does not represent the SREB as a whole because it was operational before the SREB was launched. However, Kazakhstan and China eventually decided to incorporate it as an SREB project, resulting in Chinese funding in Kazakhstan's project. This provides some lessons for the host nations over use of Chinese investments on OBOR projects.

Start	End	Project	Financing	Description of the Project
2017	2022	Karaganda–Balkhash section of the Centre–South road	The total cost of the project: 852 mln USD Source of financing: public loan from AIIB	A BRI project under Kazakhstan's Nuryl Zhol programme.
2017	2022	Centre–West road	The total cost of the project: 1.111 bln USD Source of financing: public loan from AIIB.	A BRI project under Kazakhstan's Nuryl Zhol programme.
2017	2020	Reconstruction of the highway Taldykorgan–Kalbatau–Ust–Kamenogorsk; the section kms 287–1073	The project's total cost is 796 mln USD and is financed by the Exim Bank of China.	A BRI project under Kazakhstan's Nuryl Zhol programme.
2017	2020	Reconstruction of the road Merke–Burybaytal; kms 7–273	The total cost of the project is 253 mln USD, financed by the Exim Bank of China.	A BRI project under Kazakhstan's Nuryl Zhol programme.
2015	2019	The first phase of construction of the rail system in Astana by a Chinese consortium consisting of 3 companies	The total cost is 1.887 bln USD, 80% is financed by a Publicly guaranteed loan from the Chinese Development Bank. The consortium finances 20%.	A BRI project under Kazakhstan's Nuryl Zhol programme.
2014	2017	Khorgos dry port on the eastern border of Kazakhstan with China.	The total cost of the project is 239 mln USD. The government of Kazakhstan fully financed the port. However, after the project was launched, 49% of the port's shares were bought by the Chinese company, Lianyungang Port Holding Group Co. Ltd.,	This is a strategic project that has excellent commercial potential.
2013	2014	Kazakhstani terminal in Lianyungang seaport	The total cost of the project: is 99.3 mln USD.	This BRI project will give access to Lianyungang port and reduces transport time for Kazakhstan to reach the Asia-Pacific markets by 3.5 times. Kazakhstani KTZ Express holds 49% of shares, and the Lianyungang Port Company Group holds 51%.

Kazakhstan has avoided many of the OBOR's problems, such as China's infamous "debt-trap diplomacy," while still benefiting from Chinese assistance and investment. Xi Jinping's rhetoric of the OBOR as a 'mutually beneficial' and 'win-win' project might be realised if the Belt and Road was managed more by local leadership and less by Beijing.³⁷

d. BRI Rail and Road Projects in Tajikistan

Encouraged by the Belt and Road trade and infrastructure development plan, Chinese investment in Tajikistan rose 160 percent in 2015 to 273 million USD, comprising 58 percent of the country's investment inflow that year.³⁸ According to Tajikistan's statistics agency, total Chinese direct investment has reached 1 billion USD overshadowing Russian direct investment. However, Chinese investors face many challenges, including a complicated legal environment, murky local politics, and Beijing emphasizing anti-terrorism cooperation in this Central Asia country than on business interests.³⁹

One of the three routes of the China-Central Asia–West Asia SREB corridor, which connects the People's Republic of China to Iran and West Asia, passes through Tajikistan, where transportation infrastructure is relatively weak and relies on roads rather than railways due to the country's mountainous terrain. Not surprisingly, companies such as China Road and Bridge Corporation (a subsidiary of the majority-owned China Communications Construction Company) and China State Railway Group Co. Ltd and Sinohydro Corporation Ltd. (a state-owned hydropower engineering and construction company) are active in Tajikistan's road and tunnel reconstruction.⁴⁰

Start	End	Project	Financing	Project description	Bilateral vs. multilateral
Planned		Silk Road Economic Belt railway, Tajikistan section.	Information not available.	Branded as a BRI project.	Multilateral
Planned		The railway connecting Xinjiang with the Persian Gulf: Vakhdat station east of Dushanbe–Karomik at the Tajik–Kyrgyz border.	The estimated cost of the project: 2.5 bln USD	Branded as a BRI project. The railway from Xinjiang to the Persian Gulf would require constructing a long section through Tajikistan to connect the Vakhdat station with Karomik at the Tajik–Kyrgyz border. One of this project's main criticisms is the railway network's high cost connecting Xinjiang with the Persian Gulf Railway network.	Multilateral
Planned		Construction of China – Kyrgyzstan: Tajikistan – Afghanistan–Iran (Karamyk–Vakhdat–Kurgan Tyube–Kalkhazabad–Nizhny Pyanj) railway.	Information not available.	Once completed, it will be an important section of the Silk Road Economic Belt connecting China with Central Asian and South Asian countries.	Multilateral
2016	2020	Dushanbe-Uzbekistan Border Road Improvement Project.	The total cost of the project: 105.9 mln USD. Source of financing: AIIB –27.5 mln USD; EBRD – 62.5 mln USD.	Branded as a BRI project targets the last missing section of the Asian Highway Network; the Central Asia Regional Economic Cooperation Program (CAREC). In June 2016, the EBRD and AIIB agreed to divide the road's costs.	Multilateral

Start	End	Project	Financing	Project description	Bilateral
2016	2020	Second Phase of the Central Asia Road Links Program.	The total cost is 54.0 mln USD. – financed by Tajikistan, IDA and the World Bank.	Announced as a BRI project and built by China Railway Group, the project aims to increase transport connectivity between Tajikistan and neighbouring countries and support road operations improvements.	Multilateral
2014	2016	Dushanbe–Kurgantube railway, Vahdat–Yovon section	The total cost of the project: 72.0 mln USD. Source of financing: The Export-Import (Exim) Bank of China – 69 mln USD; Tajikistan – 3 mln USD.	This link, which is a vital connection between the northern and southern railway networks in Tajikistan, was financed by the Exim Bank of China. It is branded as a BRI project. Media and some officials highlighted that this new rail link is one of the first projects under the BRI in Tajikistan. Contractor: China Railway No. 19 Bureau Group Co., Ltd.	Bilateral
2013	2018	Pakistan access to Tajikistan from Gilgit-Baltistan via China using the Karakorum Highway	Information is not available.	It is branded as a BRI project. The development of the China Pakistan Economic Corridor (CPEC) and the larger BRI provides Pakistan access to Tajikistan from Gilgit-Baltistan via China using the Karakorum Highway. Pakistan can bypass Afghanistan to access Tajikistan. This also implies that Tajikistan is Pakistan's nearest Central Asian neighbour and Pakistan's gateway to Central Asia. It also highlights Gilgit-Baltistan's importance in ensuring Pakistan's linkages with China and Central Asia, essential for Pakistan's geo-economic future. It is a part of China Pakistan Economic Corridor (CPEC) and the larger BRI.	Multilateral

However, the difficulty with Chinese-implemented projects (for example, China Road and Bridge Corporation (CRBC) for road projects and TBEA Co. Ltd. for energy projects) is that they utilise only Chinese labour. China also provides machinery, equipment, and associated supplies.⁴¹ China's massive investments in the transportation sector in Tajikistan have benefitted the country's infrastructural capabilities. Still, it has aggravated the local populations' resistance due to the influx of Chinese workers snatching away employment opportunities. Also, it has increased the level of corruption in the country. Tajikistan is the victim of the debt trap diplomacy of China due to China's economic power play. The Tajik authorities have overwhelmingly accepted OBOR without considering the socio-economic consequences.

e. BRI Rail and Road Projects in Kyrgyzstan

China has become one of the significant sources of foreign direct investments in Kyrgyzstan since 2012. From 2006 to 2017, the cumulative gross of Chinese FDI inflow was equal to 2.3 billion USD. For this period, Chinese FDI constituted 25-50 percent of total FDI to Kyrgyzstan, equivalent to 2-7 percent of its GDP. Key Chinese FDI sectors are geological explorations, the mining industry, and refined petroleum products. Mining-related FDI concentrates on the development of gold deposits in Kyrgyzstan.⁴² In 2019, Kyrgyzstan had over 400 Chinese enterprises and 170 Chinese–Kyrgyzstan joint ventures. Since 2013, China has invested and signed contracts for USD 4.34 billion in Kyrgyzstan, with 2.5 billion going to the energy sector, 1.69 billion to transportation, and 150 million to metals.⁴³

Start	End	Project	financing	Description of the Project
Planned		Silk Road Economic Belt Railway, Kyrgyzstan section	Information not available	Branded as a BRI project
March 2014	Nov-19	Construction of an alternative North-South road, phase 1	Total cost of the project: 399.9 mn USD. Exim Bank of China allocated a loan for 20 years at 2% per annum with a grace period of 11 years	Phase 1 includes sections covering kms 183–195 and 291–433, including a 3.8 km long tunnel. To date, 66% of the total construction work has been completed. Branded as a BRI project
2013	2016	Rehabilitation of the Bishkek–Balykchy highway, kms 147–171	Total cost of the project: 38.37 mn USD	A two-layer asphalt–concrete covering and new pipes were laid throughout, and five bridges were repaired and extended. This road connects the Issyk-Kul and Naryn regions with the capital of Kyrgyzstan. Branded as a BRI project. Contractor: China Road and Bridge Corporation
2013	2018	Rehabilitation of the Osh–Batken–Isfana highway	Total cost of the project: 351.09 mn USD	The total length of the road is 385 km. The given route provides unimpeded transport links between interconnected areas of the Batken Oblast of Kyrgyzstan and the enclaves of neighbouring countries located in Kyrgyzstan's territory. The Osh–Batken–Isfana highway develops the regional economic ties between China, Kyrgyzstan, northern Tajikistan, Uzbekistan, Kazakhstan, and Russia. Branded as a BRI project
2010	2015	Rehabilitation of the Bishkek–Naryn–Torugart highway	Total cost of the project: 445.78 mn USD	It is branded as a BRI project. The total length of the road is 539 km. The road connects the three regions of the country (Chui, Naryn, and Issyk-Kul) and allows traffic to transit through the country's territories, from the Torugart border point in the south to the Kordai settlement in Kazakhstan in the north.

f. BRI Rail and Road Projects in Turkmenistan

Turkmenistan is an important supplier of hydrocarbons and a critical transportation and transit hub for China's foray into the Persian Gulf markets under the SREB. The state tightly controls the Turkmen economy, corruption is flourishing, and the opposition is not tolerated. It is tough to receive credible information about the current hydrocarbon-related projects.

However, media and officials highlighted that the transnational railway China–Kazakhstan–Turkmenistan–Iran was constructed under the Silk Road Economic Belt. The project started in 2016 and was completed in 2017. It is financed through public institutions Asian Development Bank (ADB) and Islamic Development Bank. The railway line aims to increase transport connectivity between Turkmenistan and neighbouring countries, particularly China. It allows cargo transportation to be sped up by land because this is the shortest railway to deliver Chinese goods to the Persian Gulf countries. Intensive cargo traffic will increase Turkmenistan's revenues. The first train from Changsha to Tehran became functional on December 28, 2017; the second train from Yinchuan to Tehran on December 29, 2017; the third train from Xi'an to Iran on December 30, 2017. China Railway No. 19 Bureau Group Co. Ltd. completed the project.⁴⁴

g. BRI Rail and Road Projects in Uzbekistan

According to the China Global Investment Tracker, Chinese investments and agreements in Uzbekistan totaled USD 2.24 billion between 2013 and 2020, with real estate accounting for USD 720 million, transportation for USD 560 million, chemicals for USD 440 million, and energy for USD 340 million. As of early 2020, there were 1,652 Chinese-owned businesses in Uzbekistan, constituting 16 percent of the total foreign businesses in Uzbekistan. In 2019, 531 of them were founded, with more than 120 of them having 100% Chinese ownership.⁴⁵

China has developed cooperation in Uzbek gas and created joint enterprises with Uzbekistan. However, the share of hydrocarbon resources from Uzbekistan to China is not large. But Uzbekistan plays an essential role in the gas transit from Turkmenistan. Besides the existing gas pipeline through Kazakhstan, China plans to build a new section of 210 kilometers of the Turkmenistan-Uzbekistan-Tajikistan-Kyrgyzstan-China gas pipeline.

The largest-ever infrastructure project carried out by China in Uzbekistan under the umbrella of OBOR is to construct an electrified Angren–Pap railroad with the electrification of the Pap–Kokand–Andijan section, which is almost 124.14 km. The project started in 2013 and was completed in 2019. The total cost of the project was 1.6 billion USD.⁴⁶ The World Bank provided 195 million USD. The Exim Bank of China financed 350 million USD. The rest of the amount was provided by the Fund for Reconstruction and Development of Uzbekistan. This railway advances connectivity with Uzbekistan’s Fergana Valley and allows freight traffic to sidestep neighbouring Tajikistan. China Railway Tunnel Group, a Chinese company, constructed Qamchiq Tunnel, an important part of the Angren-Pap railway line, and is the longest tunnel in Central Asia.

China’s investments in connectivity projects in Uzbekistan are not exclusive. Still, most of the cost is funded by the local governments and other funding agencies such as the World Bank, and International Monetary Fund (IMF). However, Chinese investments in non-SREB projects are higher than its investment through SREB. Uzbekistan’s new regime initiated the ‘neighbourhood first,’ which has provided China with more regional cooperation opportunities for its OBOR projects.

5. China-Central Asia Political-Military Cooperation

China’s investment in CARs has strategically paved the way for Chinese military engagement in the region to secure Chinese Investments. Through the SCO, China launched its fight against ‘three evil forces’: terrorism, separatism, and extremism. It has conducted joint anti-terrorist military exercises with Kyrgyz armed forces in 2002 and Tajik forces in 2006. The same exercises were organized with Kazakhstan’s participation in 2006 and Tajikistan and Kyrgyzstan in 2011. In 2019, China held joint military drills with Kyrgyzstan and Uzbek forces. Not only has this, but through the SCO forum, China held military drills with the member countries. According to reports, China has constructed security infrastructure matching a military installation in Tajikistan’s Badakhshan region. Both Chinese and Tajik authorities denied the existence of a Chinese military

installation on Tajik territory.⁴⁷

There have been several bilateral visits of military delegations between China and Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Turkmenistan remains inactive due to its closed internal political and military affairs, and it is also not a part of SCO. In 2018, Vice Chairman of the Central Military Commission Xu Qiliang visited Kazakhstan, Tajikistan, and Kyrgyzstan to implement agreements between Central Asian leaders and Chinese President Xi Jinping. Several other military delegations have been exchanged between the two regions keeping in mind Chinese interests in securing its frontiers and getting the geopolitical upper hand in this resource-rich region.

In addition to this, Chinese arms sales to Central Asia have also surged in recent years. According to the SIPRI Arms Database, China's military exports to Central Asia accounted for 444 million USD since 2000. Ninety-seven percent of these military transactions have been made post-2014. However, SIPRI's dataset is relatively constrained, omitting critical large-scale transfers that would increase China's overall exports to the region above 717 million USD. Until 2014, Beijing's arms export to the region was minimal, including 17.2 million to Tajikistan and Kyrgyzstan in the form of aid and 4.5 million to Kazakhstan. Beijing also provided a 3 million loan to Turkmenistan in 2007 for precision equipment purchases.⁴⁸



Source: <https://www.wilsoncenter.org/publication/kennan-cable-no-52-russias-shadow-chinas-rising-security-presence-central-asia>

Russia-China Dynamics in Central Asia

Russia was anxious over China's increasingly challenging economic presence in the Central Asian region. It feared that Chinese economic ascendancy would translate into increased political influence at Russia's expense, especially if combined with the decline in the Central Asian states' loyalty to Moscow. It is probably best reflected in Russia's obstruction of China's initiatives to expand the SCO's economic component, such as

establishing a Regional Development Bank or Anti-Crisis Fund. China is aware of such sensitivity on the Russian side.

At the very beginning of its engagement in the region, Beijing recognised Russia's 'special status' while simultaneously expanding its ties with Central Asian countries on a bilateral level. Russia also realised that it is not in a strong position vis-à-vis China's economic power. Based on this understanding, the two major powers have established a Sino-Russian division of labour in the region. China's major advances in the region have been in economic affairs. However, Russia retains its preeminence in the political, military, and, importantly, cultural realms.⁴⁹

Central Asia was firmly under Russian control for more than one hundred years. Though the five Republics have been sovereign states since 1991, Moscow still views them as its proper sphere of influence. However, Russia has been devitalized by economic woes and seems incapable of fully reasserting its influence in the region. For the moment, Russia may have no choice but to resign itself to the growing Chinese presence and influence in Central Asia. Still, strategic competition between the two powers may well emerge when Russia recovers from its current position.⁵⁰

Russia led the EEU, comprising former Soviet states that aims to maintain Russia's influence by competing with the EU and China's influence in Central Asia. Kazakhstan and Kyrgyzstan are members of EEU, along with Russia, Armenia, and Belarus. The other three Central Asian countries have shown no urgency in joining the EEU. This is the balanced diplomacy shared by these Central Asian countries. China and Russia are geopolitically important and share borders with Central Asia. Therefore, it's vital to develop a balanced relationship with many partner countries and not rely only on Russia and China to maintain their independence and sovereignty. Turkmenistan has adopted permanent neutrality and has refused to join any regional alliances. This balanced diplomacy is unique to the Central Asian region.

In 2015, Russia and China signed an agreement coordinating the EEU and the BRI. Central Asian members were not informed about this agreement in advance. This agreement states that the Russian Ministry of Foreign Affairs and the Chinese Ministry of Foreign Affairs are responsible for coordinating the EEU and the BRI cooperation. It does not cite anything about other EEU members and Central Asian countries, and the Eurasian Economic Community, the executive body of the EEU. Central Asian countries felt uncomfortable with the situation in which Russia and China decide important matters. This has increased their expectations towards other partners, such as Japan, the EU, South Korea, and Turkey.⁵¹

Shanghai Cooperation Organization (SCO)

Since the beginning, China has been particular about retaining its influence over Central Asia by limiting other external powers' influence. China's key mechanism to endure its geopolitical interests in Central Asia is the Shanghai Cooperation Organization, founded in 2001. SCO included Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan and was created to address nontraditional security threats such as terrorism and extremism. However, it served greater purposes for Chinese Foreign policy objectives in Central

Asia. Through SCO, China tried restraining Russian influence and enabled a monitoring mechanism on other external powers such as the US and the West.

SCO was created to fight terrorism and extremism and as a tool to counter US influence in Central Asia. However, neither China nor Russia has accepted that SCO works as an anti-Western bloc, but it is widely accepted among academia and scholars. It has been suggested that the SCO is only strong as the Russia-China relationship. This relation is inherently limited and only maintained by a common interest of creating a strong opposition to counter US influence. Not only has this, but China launched its SREB after US President Barack Obama's renewed focus on Asia launched in 2011. Russia was not skeptical regarding the increased US presence in the Eurasian region. Still, China appeared unbending while creating a strong counterbalance strategy in SCO and OBOR later.

China has used SCO as a tool to generate wider acceptance of its OBOR initiative. All the members of SCO, except India, have endorsed OBOR. India has cited its sovereignty encroachment by China-Pakistan Economic Corridor (CPEC), which stretches across India and Pakistan's disputed territory. The Bishkek Declaration clearly states: *"The Republic of Kazakhstan, the Islamic Republic of Pakistan, the Kyrgyz Republic, the Republic of Uzbekistan, the Republic of Tajikistan and the Russian Federation endorse China's BRI and praise the outcome of the 'Second Belt and Road Forum for International Cooperation held in Beijing on April 26, 2019). The parties noted the ongoing work to implement this initiative together, including the efforts to align the Eurasian Economic Union projects with those under the Belt and Road initiative."*⁵²

Challenges

Anti-China Protests in Central Asia

Sinophobia runs extensively in Central Asia, where anxious perceptions of Beijing's economic expansionism designs abound. Loads of Chinese debt on Central Asian governments, and not speaking about the corruption and pollution that often accompanies investment, has bittered popular opinions. Chinese companies and capital have gradually surged, adding fuel to Sinophobia. Consequently, the Chinese government has engaged in a charm offensive determined to make life easier for workers and investors in Kyrgyzstan.⁵³ China's OBOR initiative aims to include more than sixty-five countries, which differ considerably in power, interests, and historical ties with China. China's objectives and investments in Central Asia have highlighted political and economic opportunities but have also raised concerns about environmental and social challenges. Problems include the rapid rise in the external debts of Tajikistan and Kyrgyzstan and the rescheduling of China projects, thus disappointing the countries in much need of infrastructure investments.⁵⁴

Because of the economic interests, the Kazakhstan government can't say much about the issue as they have a relative economic dependency on China. The country is a member of the SCO, which includes an agreement not to interfere with other states' internal affairs. They can't question what is going on in China, and their neighbours are expected to do the same.⁵⁵

Kyrgyzstan is not among China's critics, even though thousands of ethnic Kyrgyz have experienced forced assimilation pressure in Xinjiang. It has refrained from criticizing China's actions in Xinjiang. At Columbia University, Kyrgyz Foreign Minister Chingiz Aidaibekov said that 'the religious sphere' is an internal matter of China. He also added that Chinese officials had been very transparent in discussions with their Kyrgyz counterparts on the treatment of Muslim minorities and that there was no concrete evidence of rights abuses in Xinjiang. Once a severe critic of China, Turkey has made a rhetorical reversal and is now mostly silent on the Uyghur question. The reason underlying the silence is economic. Beijing spends billions in Central Asia on large infrastructure projects under its OBOR project. Regional officials seem cautious of saying anything that might negatively impact investment prospects.

Aidaibekov characterized China as Bishkek's reliable partner, and the Chinese infrastructure project to expand Kyrgyzstan's railroad network had the potential to advance Bishkek's goal of exporting more value-added products.⁵⁶ In recent years, the anti-Chinese sentiment seems to have risen among Kyrgyz citizens, fueled by Chinese investment scandals. In early 2018, a power plant that a Chinese company had just refurbished broke down. It left residents of Bishkek city without heat in the lowest temperatures of winter. But in his Columbia address, Aidaibekov indicated that the Chinese side was mostly untarnished for the heat failure scandal, citing corruption among Kyrgyz officials as a significant factor.⁵⁷

Most of the protests are happening in Kazakhstan, Kyrgyzstan and Tajikistan, as they border China. For instance, the influx of Chinese workers, business people, and money has increased dramatically in Tajikistan over the years. Unofficial estimates suggest that there are now 150,000 Chinese working in Tajikistan when the government quota for foreign workers is 8,000 per year.⁵⁸ This influx is more visible around the countryside, where the officials have started renting out increasing tracts of land to Chinese farmers for 49-year terms. Reportedly, the land controlled by the Chinese has risen by 3,000 percent over the last several years. Further, they allegedly tried to get the best land with more water by paying off the local officials. This enables them to produce more for every hectare than the Tajik farmers, resulting in depressing commodity prices and forcing more locals off their land. Chinese landlords also hire Tajik labourers and treat them as 'second class' people by lording over them and paying less than Chinese labourers. These trends have sparked conflicts between the Tajiks and the Chinese, which are becoming quite frequent.⁵⁹

Debt Trap

There is a growing concern over China's mounting debt among the general public in Central Asia, particularly in Kyrgyzstan, which has moderate media freedom restrictions. China is accounted for 45.3 percent of Kyrgyzstan's external debt (May 2019). Kyrgyzstan is a developing country with significant new OBOR-related infrastructure projects financed by Chinese debt. In March 2017, public and publicly guaranteed debt amounted to approximately 65 percent of GDP, of which external debt represented about 90 percent of the total.⁶⁰

China's Exim Bank is the largest single creditor, with reported loans by the end of 2016 totaling 1.5

billion USD. It also estimates 40 percent of its total external debt.⁶¹ Kyrgyz and Chinese authorities have been working on the China-Kyrgyzstan-Uzbekistan railway, constructing a chain of hydropower plants, additional highway construction, and the Central Asia-China gas pipeline under its SREB initiative. This has necessitated investments, which is where Chinese loans come in. Kyrgyzstan is under a moderated risk of debt distress but it remains vulnerable to shocks resulting from a sizeable exchange rate depreciation exacerbated by the scaling up of public investments.⁶²

According to the report released by the US Center for Global Development in March 2018, the debt ratios could increase as the OBOR progresses. The debt levels of the sixty eight countries hosting OBOR-funded projects were assessed in this research, with each country's overall debt to China indicated as a proportion of its total public foreign debt. According to the analysis, the OBOR appears to cause debt sustainability concerns in eight countries, including Kyrgyzstan and Tajikistan, if all of the planned projects of OBOR are completed.⁶³

Tajikistan has been referred to as the 'first leg' of OBOR's land-based elements. The IMF and World Bank consider Tajikistan to be at high risk of debt crisis. Despite this, Dushanbe intends to raise its foreign debt at both concessional and non-concessional rates in order to fund infrastructure developments in the electricity and transportation sectors, particularly those supported under OBOR. Tajikistan will host a three billion dollar segment of the Central Asia-China Gas Pipeline (Line D), which will purportedly be financed by Chinese FDI. However, there may be pressure on the Tajik government to bear part of the finance expenses. Most recently, Tajikistan issued 500 million USD in Eurobonds to pay for a new hydropower generating facility. Debt to China, Tajikistan's single largest creditor, accounts for almost 80 percent of the total increase in Tajikistan's external debt between the 2007-2016 period.⁶⁴

Tajikistan owes 1.3 billion USD to the Exim Bank of China, which is 40 percent of the total foreign debt of Tajikistan (its 2.9 billion USD as of January 2019), according to the finance ministry of the country.⁶⁵ The first loan that Tajikistan took from China was in 2007, which was 217 million USD. Tajikistan's foreign debt to GDP ratio stands at 38.9 percent as of January 2019. Tajikistan's biggest debtors include the Exim Bank of China, the World Bank, Islamic Development Bank.⁶⁶

These low- and middle-income are often unable to make the repayments. This presents Beijing with an opportunity to demand concessions or benefits in exchange for debt relief. This is the pattern of China's debt traps, seen in Central Asia, South Asia, and Africa. Because of these governments' incapacity to repay loans, Chinese businesses have gained mining rights in Kyrgyzstan and Tajikistan. The Upper Kumarg goldfield in Sughd province has begun to be developed by the Chinese Tebian Electric Apparatus Stock Co. Ltd (TBEA). TBEA has the right to collect precious metals from these mines until Tajikistan pays back the money invested in the Dushanbe-2 heat and power plant.⁶⁷ Many publications in China's state-controlled media reported territorial claims in Tajikistan, Kazakhstan, and Kyrgyzstan. According to these publications, Tajikistan surrendered 1100 square kilometres of territory to China in 2011 owing to its inability to repay Chinese debts. And it might happen again, given China's growing debt to these countries. Reports about China's military facility in Tajikistan's Pamir region point to other implications of the debt trap. However, despite popular outcry about China's behaviour in the area, the governments of these nations have not taken the problem

seriously.⁶⁸

COVID-19 and OBOR

Even after several years since it was first announced, there is still no shining star project of OBOR. Its global reach out seems to be limited and is only restricted to the level of a regional initiative. Many of its damaging effects of development are visible in the form of the destruction of the local environment, the disruption of construction, the dislocation of people, cultural invasion, etc. While Chinese authorities have been justifying OBOR's slow progress by describing it as a 100-year project, the Central Asian population doesn't have that long wait and has started criticizing such projects.

Undoubtedly, COVID-19 has raised serious questions concerning the future of Xi Jinping's grand initiative. Despite the existing criticisms and distrust toward Chinese objectives for the OBOR, it is unlikely that physical infrastructure and connectivity projects under this initiative will retain their promised scale and glory. China grapples with increasing debt defaults, and project delays due to the pandemic have added to China's troubles. However, COVID-19 need not be the final blow for the OBOR, but it would compel Beijing to rethink its strategy and focus of the OBOR to meet the needs of a post-COVID-19 world better.

Lessons for India

China's growing influence in Central Asia will eventually challenge other players such as Russia, the United States, and India. However, Russia is not now in a position to oppose China, but ultimately, the two will have a conflict of interests. Since 2015, India's Central Asia policy has shown some positive outcomes; nevertheless, there is still a gap that must be bridged quickly by accelerating connectivity projects like Chabahar and International North-South Transport Corridor (INSTC). India's partnership with Russia is critical for both of these initiatives. With China as a competition, India, Russia, and the United States must provide additional leverage to Central Asian countries so that they do not rely solely on China. They must also strengthen their multilateral arrangements with Central Asian partners in order to boost their influence and counter China. Central Asian nations, on the other hand, may use India's emerging global power status to balance their relations with dominant actors such as Russia and China.

Conclusion

Under the OBOR, China is and will continue to be the most important investor in Central Asia. It is the only country capable of mobilising massive investment in the region, considerably far greater than Russia, the US, and Western countries can provide. However, the effectiveness of this initiative is relative. The investments allocated to various projects of OBOR are often wasted due to corruption and administrative inefficiency. The projects are not subjected to higher sustainability standards and are evaluated largely on profitability. Furthermore, the Chinese initiatives are having difficulty attaining a greater economic outcome that may

translate into more local jobs and knowledge transfer.

However, despite multiple flaws, China's expanding participation in Central Asia is a long-term phenomenon and a watershed moment in the post-Soviet history and economic development of these countries. Consequently, a clear picture emerges of China reaping significant benefits from its commercial ties with Central Asia, as well as its OBOR and other strategic partnerships.

Endnotes

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