



**The University of  
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**China Policy Institute**

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## **Briefing Series – Issue 53**

# **ASSESSING CHINA'S INFLUENCE IN CENTRAL ASIA: A DOMINANT REGIONAL POWER?**

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**July 2009**

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The China Policy Institute, part of the School of Contemporary Chinese Studies at The University of Nottingham, was set up to analyse critical policy challenges faced by China in its rapid development. Its goals are to help expand the knowledge and understanding of contemporary China in Britain, Europe and worldwide, to help build a more informed dialogue between China and the UK and Europe, and to contribute to government and business strategies.

## **Executive Summary**

1. China has greatly increased its trade and energy investments in Central Asia since the 1990s. Whether China's influence in the region has increased becomes an important question.
2. The Xinjiang province has figured prominently in China's Central Asia strategies. Trade between Xinjiang and Central Asian countries increased 130 percent in the first year after the end of the Soviet Union.
3. In 2005, Xinjiang accounted for 40 percent of the total volume of trade between China and the five Central Asian countries-Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.
4. Overall, China's trade with Central Asia remains small relative to its trade with other Asian neighbors, as well as compared to Russia's trade with Central Asia.
5. China is interested in exploring oil and natural gas in Central Asia to diversify its energy sources. In coming years several major deals will see large increases in oil and gas exports to China from Central Asia.
6. But Russia and European Union are also heavily involved in the energy game in Central Asia, greatly offsetting China's influences. Russia's Gazprom, for example, has a monopoly control over Central Asia's natural gas exports.
7. Despite China's rebuff, US troops maintain their presence in Central Asia. China's attempts to collaborate with Central Asia in cracking down extremism, separatism and terrorism in the region have not always been successful.
8. Drug trafficking is another non-traditional security challenge China faces in Central Asia. Reported opium seizures in Tajikistan increased by 83% in 2007, and almost 47 metric tons of precursor chemicals used to produce morphine and heroin were seized in the region in 2008.

9. China's efforts in engaging Central Asia are anchored by The Shanghai Cooperation Organisation (SCO), formed by China, Russia, and the four Central Asian Republics. China treats the organisation as a testing ground for establishing cordial post-Cold War international relations.
10. But the Central Asian countries give higher priority to the Commonwealth of Independent States and the West rather than to China in forming their foreign policies. The SCO still falls short of becoming a powerful vehicle.
11. Chinese soft power is weak in the region, one Kazakh study found that 44 percent of surveyed experts believed that China could not achieve anything in Central Asia while only 20 percent believed China would be a major player in the region.
12. The rapid increase in trade and energy projects between China and Central Asian countries have so far failed to translate into Chinese influence.
13. In combating separatist and terrorist movements, Chinese leaders must note that using hard measures to suppressing unrests or crack down on activists cannot fully resolve the problems. Other soft measures are needed as well.
14. Unless China has a clearer plan or policy to deepen its relations with Central Asian countries, Chinese influence will remain limited, and the region will continue to present challenges for China.

## **Assessing China's influence in Central Asia: A dominant regional power?**

Hak Yin Li and Zhengxu Wang\*

### **China's interests in Central Asia: Trade, Energy, and Security**

- 1.1 China's relations with the new Central Asian countries first began with territorial settlements. In 1992, China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan reached a deal in resolving territorial disputes. Known as the "Shanghai Five" then, these five countries with the addition of Uzbekistan, formally established the Shanghai Cooperation Organisation (SCO) in 2001.<sup>1</sup>
- 1.2 Central Asian countries offer promising potential in boosting economic development in China's northwestern region. Central Asia is right in the middle of the Eurasian Continent and was part of the major trade route-the Silk Road-between the East and the West in the past. The revitalisation of the Silk Road can help overcome the development disadvantages of China's landlocked northwestern provinces.
- 1.3 One year after the collapse of the Soviet Union in 1992, trade between China's northwestern Xinjiang province and the Central Asian countries increased by 130 percent.<sup>2</sup> Today, Xinjiang serves as the bridgehead between China and Central Asia.<sup>3</sup> In 2005, Xinjiang accounted for 40 percent of the total volume of trade between China and the five Central Asian countries.<sup>4</sup>

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<sup>1</sup> Chung Chien-Peng, "The Shanghai Co-operation Organisation: China's changing influence in Central Asia", *The China Quarterly*, vol.180, 2004 and Sun Zhuangzhi, "New and old regionalism: The Shanghai Cooperation Organisation and Sino-Central Asian relations", *The Review of International Affairs*, vol.3, no.4, 2004.

<sup>2</sup> James P. Dorian, Brett H. Wigdortz and Dru C. Gladney, "China and Central Asia's volatile mix: Energy, trade, and ethnic Relations", *The AsiaPacific Issues*, no.31, May 1997, p.4.

<<http://www.eastwestcenter.org/fileadmin/stored/pdfs/api031.pdf>>, accessed on 9 June 2009.

<sup>3</sup> "Northwest China region becomes bridgehead for trade ties with Central Asia", *People's Daily Online*, 23 September 2005,

<[http://english.people.com.cn/200509/23/eng20050923\\_210367.html](http://english.people.com.cn/200509/23/eng20050923_210367.html)>, accessed on 9 June 2009.

<sup>4</sup> "Xinjiang steps up trade ties with central Asian countries", *People's Daily Online*, 18 October 2005, <[http://english.peopledaily.com.cn/200510/18/eng20051018\\_215052.html](http://english.peopledaily.com.cn/200510/18/eng20051018_215052.html)>, accessed on 9 June 2009.

- 1.4 China is interested in exploring for oil and natural gas in Central Asia in order to diversify China's energy sources. Central Asia offers the potential of relatively safe energy supplies that are less likely to face blockade threats such as those faced by shipments passing through the Malacca Strait.<sup>5</sup>
- 1.5 Therefore, Central Asia is not only an energy supplier to China, but it is also an energy transit region. China is keen on building pipelines through Kazakhstan and Turkmenistan to Bandar Abbas, a city of the southern part of Iran which is just next to the Persian Gulf. This enormous project would allow China to transport oil from the Middle East to Xinjiang.<sup>6</sup>
- 1.6 China's greatest security concern in Central Asia is the spread of extremism, separatism and terrorism (the so-called "Three Evil Forces" by Chinese). The Muslim Uighurs are the main ethnic minority group in China's Xinjiang province. As other ethnic groups such as the Tajiks, Kazaks and Kyrgyzs have already established their own countries in Central Asia, the Chinese government fears that the Uighurs may seek independence as well.<sup>7</sup>
- 1.7 China currently faces the challenges of Uighur insurgent groups, such as the United Revolutionary Front of Eastern Turkestan, Xinjiang Liberation Organisation, and Uighur Liberation Organisation.<sup>8</sup> There are an estimated 300,000 Uighurs living in Kazakhstan and Kyrgyzstan, who are potential targets of the insurgents' political mobilisation efforts.<sup>9</sup>
- 1.8 On 5 July 2009, a violent riot broke out in Urumqi, the capital of Xinjiang, which resulted in 184 deaths and more than 1600 people injured. The Chinese government believed that the riot was engineered by extremists and separatists

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<sup>5</sup> Currently, more than 85% of China's oil passes through the Malacca Strait, see "The risk of Malacca Strait and China's strategy on energy", *The Sun* (Hong Kong), May 12, 2006.

<sup>6</sup> Niklas Swanström, "China and Central Asia: A new great game or traditional vassal relations?", *Journal of Contemporary China*, vol.14, no.45, 2005, p.576.

<sup>7</sup> *Ibid*, p.574.

<sup>8</sup> There are other Uighur insurgent groups such as Wolves of Lop Nor, Free Turkistan Movement, Home of the East Turkistan Youth and Organisation for the Liberation of Uighuristan. See Russell Ong, "China and US war on terror", *The Korean Journal of Defense Analysis*, vol.18, no.2, 2006, p.102.

<sup>9</sup> Niklas Swanström, "China and Central Asia: A new great game or traditional vassal relations?", *Journal of Contemporary China*, vol.14, no.45, 2005, p.575.

outside China.<sup>10</sup> To tackle insurgencies, China has to work with other Central Asian countries.

- 1.9 Another non-traditional security challenge facing China in Central Asia is drug trafficking. Drug-related activities are expanding rapidly in Central Asia, heavily affecting China. Reported opium seizures in Tajikistan increased by 83% in 2007, and almost 47 metric tons of precursor chemicals (which are used to produce morphine and heroin) were seized in some Central Asian countries, including Kyrgyzstan, Tajikistan and Uzbekistan in 2008.<sup>11</sup>
- 1.10 China, India and Russia have noticed the drug related problems in Central Asia as Afghanistan accounts for around 90 percent of global supply in heroin. The three countries have created a security belt in the region in order to crack down drug trafficking.<sup>12</sup> The SCO also called for an anti-narcotic and financial security belt in the region at its Jun 2009 meeting in Yekaterinburg.<sup>13</sup>

### **China's influence in Central Asia: Still Limited**

- 2.1 In recent years, trade between China and Central Asian countries has increased significantly. But the trade volume is still small compared to Chinese trade with other neighboring countries. As figure 1 shows, among those five Central Asian countries, the total trade between China and Kazakhstan is the largest, amounting to around USD 13877 million, yet it is still smaller than the trade volume between China and Vietnam at USD 15117 million. Not to mention, China's trade with Singapore and Korea were USD 47143 million and USD 159850 million respectively by 2007.<sup>14</sup>

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<sup>10</sup> See *Ming Pao Daily*, 7 July 2009.

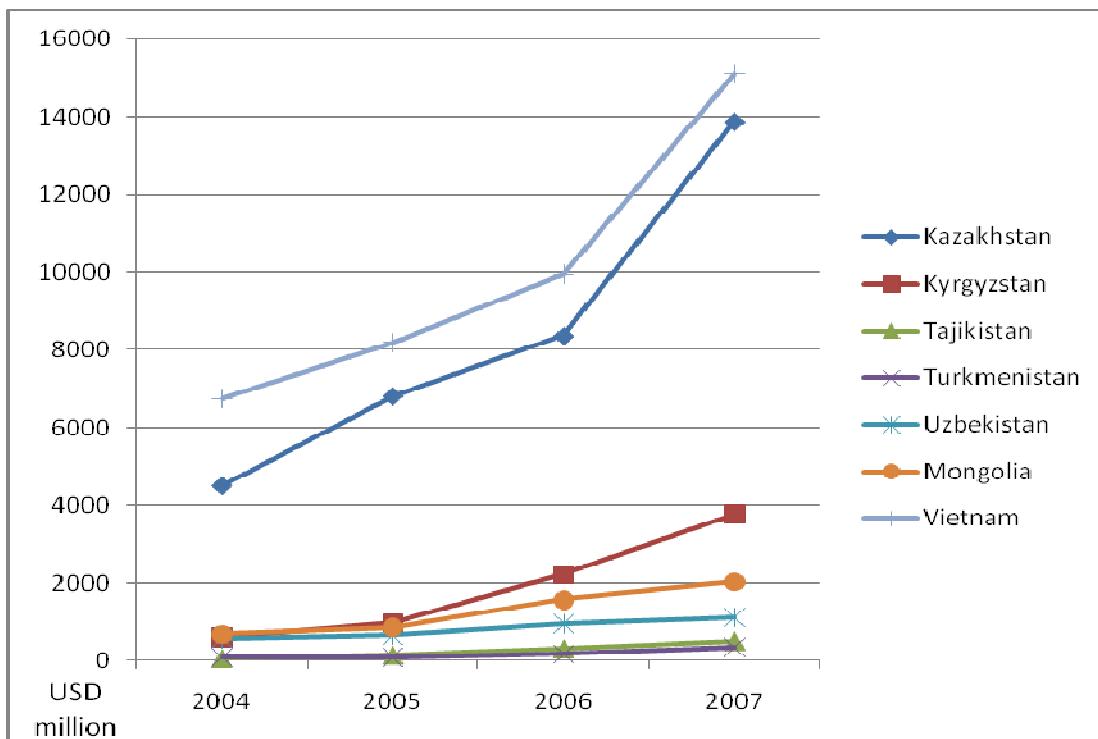
<sup>11</sup> *World Drug Report 2009*, United Nations Office on Drugs and Crime, 24 June 2009, pp.37 and 41, <<http://www.unodc.org/unodc/en/frontpage/2009/June/world-drug-report-2009-released.html>>, accessed on 25 June 2009.

<sup>12</sup> Conor Sweeney, "Russia, China, India seek Afghan anti-drug 'belt'", *Reuters*, 15 May 2008, <<http://www.reuters.com/article/worldNews/idUSL1486613820080515?feedType=RSS&feedName=worldNews>>, accessed on 10 June 2009.

<sup>13</sup> "Yekaterinburg declaration of the heads of the member states of the Shanghai Cooperation Organisation", The website of the Shanghai Cooperation Organisation, 16 June 2009, <<http://www.sectsco.org/EN/show.asp?id=87>>, accessed on 25 June 2009.

<sup>14</sup> The figures can be found in the *Chinese Statistical Yearbook 2008*, Section 17-8, "Value of Imports and Exports by Country (Region) of Origin/Destination", <<http://www.stats.gov.cn/tjsj/ndsj/2008/indexeh.htm>>, accessed on 15 July 2009.

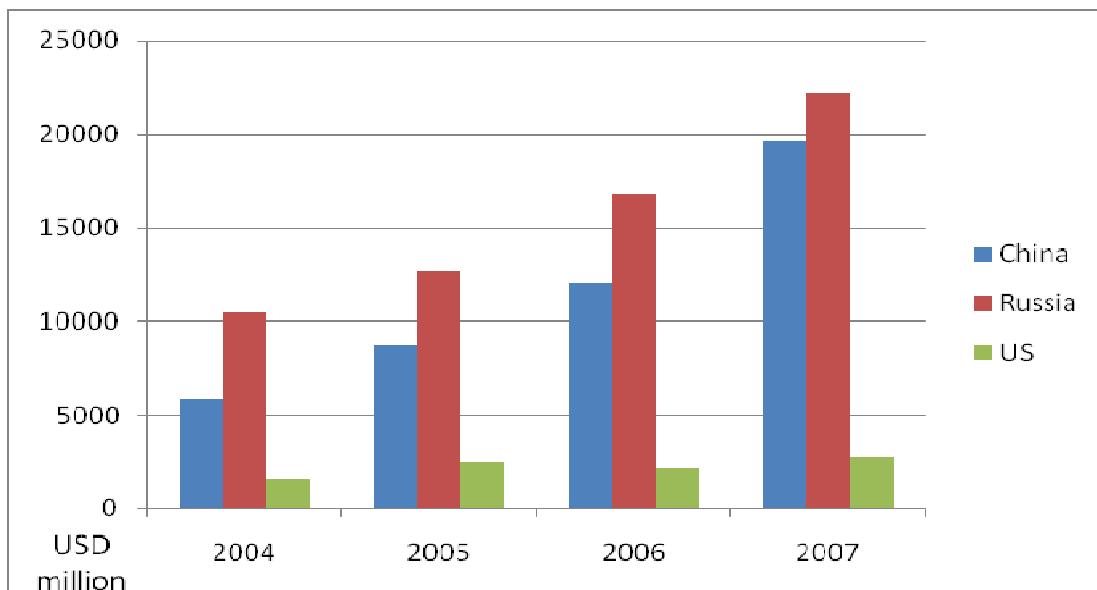
Figure 1: Trade between China and its Neighbouring Countries<sup>15</sup>



- 2.2 Furthermore, except Kazakhstan, trade between China and other Central Asian countries remains very limited. Among these countries, only Kyrgyzstan has a trade volume with China that is larger than China-Mongolia trade in 2007.
- 2.3 Trade between China and the Central Asia countries is also much smaller than trade between Russia and Central Asia. As figure 2 shows, Russia's trade with the region consistently surpasses that of China from 2004 to 2007. US's trade with the region still lags behind China and Russia, but its overall influence should not be underestimated given its role in the war against terrorism in the region.

<sup>15</sup> The figures can be found in the *Chinese Statistical Yearbook 2008*, Section 17-8, "Value of Imports and Exports by Country (Region) of Origin/Destination", <<http://www.stats.gov.cn/tjsj/ndsj/2008/indexeh.htm>>, and the *Chinese Statistical Yearbook 2006*, Section 18-8, "Volume of Imports and Exports by Countries and Regions (Customs Statistics)", <<http://www.stats.gov.cn/tjsj/ndsj/2006/indexeh.htm>>, accessed on 2 July 2009.

Figure 2: Chinese, Russian and American economic involvement in Central Asia<sup>16</sup>



2.4 Clearly, these trade figures do not suggest any decisive economic influence China has in the region. But one can expect trade between China and the region to continue to expand if infrastructure such as roads, rails and pipelines are improved. Several energy projects between China and Kazakhstan, as well as between China and Turkmenistan, have just begun, and should reveal their impacts in due time.

### China Playing the Grand Chess Game

3.1 Former US national security adviser Zbigniew Brzezinski described Central Asia as a grand chessboard, on which various major powers compete with one another for its geo-strategic importance. Brzezinski further argues that the US and European

<sup>16</sup> For the Chinese figures, see *Chinese Statistical Yearbook 2008*, Section 17-8, "Value of Imports and Exports by Country (Region) of Origin/Destination", <<http://www.stats.gov.cn/tjsj/ndsj/2008/indexeh.htm>>, and the *Chinese Statistical Yearbook 2006*, Section 18-8, "Volume of Imports and Exports by Countries and Regions (Customs Statistics)", <<http://www.stats.gov.cn/tjsj/ndsj/2006/indexeh.htm>>, accessed on 2 July 2009. For the Russian figures, see "26.6 Foreign trade of the Russian Federation with the CIS countries", in the website of Russia's Federal State Statistics Services, <[http://www.gks.ru/bgd/regl/b08\\_12/IssWWW.exe/stg/d02/26-06.htm](http://www.gks.ru/bgd/regl/b08_12/IssWWW.exe/stg/d02/26-06.htm)>, accessed on 4 July 2009. For the American figures, see the website of U.S. Census Bureau, Kazakhstan, <<http://www.census.gov/foreign-trade/balance/c4634.html>>, Kyrgyzstan, <<http://www.census.gov/foreign-trade/balance/c4635.html>>, Tajikistan, <<http://www.census.gov/foreign-trade/balance/c4642.html>>, Turkmenistan, <<http://www.census.gov/foreign-trade/balance/c4643.html>> and Uzbekistan, <<http://www.census.gov/foreign-trade/balance/c4644.html>>, all accessed on 2 July 2009.

countries should extend their influence in Central Asia and to keep a close eye on the balance of power there.<sup>17</sup> Clearly, China has now joined this grand chess game.

- 3.2 China now manages 24% of Kazakh oil production, while the final part of the major oil pipeline between China and Kazakhstan will be finished in 2011. Another natural gas pipeline is to be completed in 2009, passing through Turkmenistan, Uzbekistan and Kazakhstan. This pipeline could offer 30 billion cubic meters of natural gas to China per year.<sup>18</sup>
- 3.3 China has also offered USD 10 billion loan to Kazakhstan in the latest SCO meeting at Yekaterinberg in June 2009. In return, China will get future oil supplies and a Kazakh oil company that Russia wanted to take over.<sup>19</sup> In April 2006, China also signed an agreement with Turkmenistan including the building of another gas pipeline extending from Central Asia to China; development of a gas field near Amu Darya River; and the opening of a gas well in the Iolatan region.<sup>20</sup>
- 3.4 Other powers, however, are also heavily involved in energy projects in Central Asia. Former Russian President Vladimir Putin called for a "Eurasian alliance of gas producers" in 2002 which includes Russia, Turkmenistan, Kazakhstan and Uzbekistan.<sup>21</sup> Later on, Russia's Gazprom signed a five-year deal with Kazakhstan's KazMunaiGas which would transit 55 billion cubic meters of Turkmen and Uzbek natural gas annually, "giving Gazprom monopoly control over all three Central Asian states' 'natural gas exports'."<sup>22</sup>
- 3.5 The European Union (EU) also reached an accord with Turkmenistan in 2008 to build the Nabucco gas pipeline in 2010, which is expected to start operations

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<sup>17</sup> Zbigniew Brzezinski, *The Grand Chessboard : American Primacy and Its Geostrategic Imperatives*, New York: BasicBooks, 1997.

<sup>18</sup> Sebastien Peyrouse, "Sino-Kazakh relations: A nascent strategic partnership", *China Brief*, vol.8, iss.21, 7 November 2008, pp.11-12.

<sup>19</sup> Isabel Gorst, "Beijing offers \$10bn in crisis loans to Central Asian countries", *Financial Times*, 17 June 2009, p.1.

<sup>20</sup> Marc Lanteigne, "China's energy security and Eurasian diplomacy: The case of Turkmenistan", *Politics*, vol.27, no.3, 2007, p.151.

<sup>21</sup> Roy Allison, "Strategic reassertion in Russia's Central Asia Policy", *International Affairs*, vol.80, no.2, 2004, p.291.

<sup>22</sup> Igor Torbakov, "The West, Russia, and China in Central Asia: What kind of game is being played in the region?", *Transition Studies Review*, vol.14, no.1, 2007, p.156.

in 2013. Its annual capacity would be 31 billion cubic meters,<sup>23</sup> similar to that of the gas pipeline from Central Asia to China as mentioned above. The start of operations of the oil pipeline between Kazakhstan and China had been delayed in 2006 due to American pressure.<sup>24</sup> These developments suggest that energy investments do not offer China as much influence in Central Asia as some analysts have expected.

Figure 3: Energy Deals and Projects in Central Asia

Involved Countries	Projects	Year
China-Kazakhstan	<ul style="list-style-type: none"> <li>● Oil pipeline</li> <li>● Gas pipeline</li> <li>● China offers USD 10 billion loan</li> </ul>	<ul style="list-style-type: none"> <li>● Will complete in 2011</li> <li>● Will complete in 2009</li> <li>● For future oil supply</li> </ul>
China-Turkmenistan	<ul style="list-style-type: none"> <li>● Gas Pipeline</li> <li>● Gas field near Amu Darya River</li> <li>● Gas well in the Iolatan region</li> </ul>	<ul style="list-style-type: none"> <li>● Signed the deals in 2006</li> </ul>
Russia with Turkmenistan, Kazakhstan and Uzbekistan	<ul style="list-style-type: none"> <li>● Eurasian alliance of gas producers – Russia's monopoly control</li> </ul>	<ul style="list-style-type: none"> <li>● Addressed since 2002</li> </ul>
European Union-Turkmenistan	<ul style="list-style-type: none"> <li>● Gas pipeline - Nabucco</li> </ul>	<ul style="list-style-type: none"> <li>● Will build in 2010</li> <li>● First flow in 2013</li> </ul>

- 3.6 Energy aside, China is also competing with other powers for influence in the region. While China has invested great hope in the SCO as a regional cooperation vehicle, its Central Asian member countries regard it as more symbolic than substantial.<sup>25</sup> These countries give higher priority to the Commonwealth of Independent States and the West rather than to China in forming their foreign policies.<sup>26</sup>
- 3.7 Although cracking down on separatism is one of the major goals of the SCO, Kazakhstan still tolerates the operations of some anti-China separatist movements

<sup>23</sup> See "EU secures Turkmenistan gas deal", BBC, 14 April 2008, <<http://news.bbc.co.uk/1/hi/world/europe/7347051.stm>>, accessed on 5 July 2009.

<sup>24</sup> See *Ta Kung Pao*, 21 June 2006, A16.

<sup>25</sup> Sun Zhuangzhi, "New and old regionalism: The Shanghai Cooperation Organisation and Sino-Central Asian Relations", *The Review of International Affairs*, vol.3, no.4, 2004, p.605.

<sup>26</sup> Ibid, p.605.

and organisations on its territory.<sup>27</sup> Meanwhile, China has had difficulties in persuading the SCO members to join anti-terrorism military exercises.<sup>28</sup> It was not until 2006, five years after the establishment of the SCO, that Kazakhstan agreed to a military exercise with China under the framework of the SCO.<sup>29</sup>

- 3.8 Paradoxically, Uzbekistan holds the base of the SCO's Regional Counter-Terrorism Structure (RCTS), but refuses to join the SCO's anti-terrorism military exercises,<sup>30</sup> and has not yet been involved in any bilateral military exercise with China.
- 3.9 It is in China's interest to see Central Asia "free" of other powers' influence. China always rebukes the presence of foreign troops in the region. It already faces American allies in the form of its northeastern and southeastern neighbours such as Japan, South Korea, Taiwan, Philippines, Singapore, and Australia. At the very beginning of the post-911 war against terrorism, the US has also quickly succeeded in establishing its forward bases at Karshi-Khanabad in southern Uzbekistan and at Ganci which is near the capital of Kyrgyzstan.
- 3.10 In the meantime, Kazakhstan, Tajikistan and Turkmenistan also granted the US refueling and transit rights in the region.<sup>31</sup> Furthermore, there are suspicions that the US may deploy tactical nuclear weapons in Central Asia which will greatly threaten China's national security.<sup>32</sup>
- 3.11 In 2005, China and Russia demanded the withdrawal of American troops in Central Asia through a SCO's statement.<sup>33</sup> Thereafter, the US was forced to withdraw its

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<sup>27</sup> Kazakhstan authorised the functioning of International Uighur Alliance in 1992 and encouraged the Uighurs activists to seek for motherland through its media in 1993. But the Kazakhs government has not shown the determination to tackle the separatist movements. See Eric Hyer, "China's policy towards Uighur nationalism", *Journal of Muslim Minority Affairs*, vol.26, no.1, 2006, p.81.

<sup>28</sup> Kazakhstan joined the North Atlantic Treaty Organization (NATO)'s military exercise in 2003 but asked if the SCO should organise military exercise. See Elizabeth Wishnick, *Strategic Consequences of the Iraq War – U.S. Security Interests in Central Asia Reassessed*, University Press of the Pacific Honolulu, Hawaii, 2004, p.29.

<sup>29</sup> See *Hong Kong Economic Journal*, 22 August 2006, p.9.

<sup>30</sup> Annette Bohr, "Regionalism in Central Asia: New geopolitics, old regional order", *International Affairs*, vol.80, no.3, 2004, p.499.

<sup>31</sup> Alexander Cooley, "Principles in the pripoleins: Managing transatlantic values and interest in Central Asia", *International Affairs*, vol.84, iss.6, 2008, pp.1174-1175.

<sup>32</sup> Chung Chein-peng, "The Shanghai Co-operation Organisation: China's changing influence in Central Asia", *The China Quarterly*, 2004, p.1004.

<sup>33</sup> See Vladimir Socor, "SCO asks Washington to set date for withdrawal of forces", *Eurasia Daily Monitor*, 6 July 2005, <[http://jamestown.org/edm/article.php?article\\_id=2369976](http://jamestown.org/edm/article.php?article_id=2369976)>, accessed on 15 January 2007.

troops from Uzbekistan for condemning the Uzbek authorities' crackdown unrest in Andijan in 2005. But recently Uzbekistan has allowed the US to use its base again.<sup>34</sup>

- 3.12 Kyrgyzstan has also threatened to close down an American base in the country because Russia offered greater economic aid.<sup>35</sup> As the US finally offered triple the annual rent for the Manas base in Kyrgyzstan, costing up to USD 60 million, Kyrgyzstan has thereafter even put American use of its base into law.<sup>36</sup> Clearly, Central Asian countries are playing tactically – fishing in troubled waters by playing off various powers against one another in the region. The Chinese are finding it difficult to increase its influence against such complex strategic tactics.

### **Can China become a dominant power in Central Asia?**

- 4.1 With increasing Chinese investments and trade in Central Asia, it is natural to expect an increase in Chinese soft power there as well. But it does not appear to be the case. One Kazakh study found that 44 percent of surveyed experts believe China would not achieve anything in Central Asia while only 20 percent believe China would be a major player in the region.<sup>37</sup>
- 4.2 Moreover, Chinese language and culture do not receive much attention in the region, at least at this moment. Some Dungans (Chinese speaking Muslims) in Kyrgyzstan have preferred to move to Russia or Uzbekistan rather than to China when they could not obtain the Kyrgyz nationality because they only speak a dialect of the Chinese province of Gansu, Russian, and perhaps some Kazakh, Kyrgyz and Uzbek, but not Chinese Mandarin.<sup>38</sup> Obviously, the Central Asian countries share more similarities with Russia rather than with China.

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<sup>34</sup> See "US troops returning to Uzbek base", BBC, 6 March 2008, <<http://news.bbc.co.uk/1/hi/world/asia-pacific/7280538.stm>>, accessed on 6 July 2009.

<sup>35</sup> See "Kyrgyz MPs vote to shut US base", BBC, 19 February 2009, <<http://news.bbc.co.uk/1/hi/world/asia-pacific/7898690.stm>>, accessed on 6 July 2009.

<sup>36</sup> See "Kyrgyz-US airbase deal made law", BBC, 7 July 2009, <<http://news.bbc.co.uk/2/hi/asia-pacific/8138530.stm>>, accessed on 7 July 2009.

<sup>37</sup> Sébastien Peyrouse, "Sino-Kazakh Relations: A nascent strategic partnership", *China Brief*, vol.8, iss.21, 7 November 2008, p.13.

<sup>38</sup> Elisabeth Alles, "The Chinese-speaking Muslims (Dungans) of Central Asia: A case of multiple identities in a changing context", *Asian Ethnicity*, vol.6, no.2, 2005, pp.122, 132-133.

- 4.3 It seems that the rise of China raises more concerns for Central Asian countries rather than extends its influence in the region. Some Kazakh experts believe that "Chinese secret services are already well established in Central Asia."<sup>39</sup> China is also accused of quietly sponsoring Chinese migration in Central Asia as 100,000 Chinese have just settled in Kazakhstan.<sup>40</sup>
- 4.1 As a traditional power on the Eurasian continent, Russia definitely has an established influence among the Central Asian countries. In contrast, China is a relatively new power in the region. It will take time for China to build up mutual trust and confidence in the region. Trade and investment between China and the region may be increasing, but they have not yet translated into Chinese influence.
- 4.2 Overall, China's influence is constrained and balanced by various regional powers and the Central Asian countries. Russia is regarded as an active balancer in the region. Kyrgyzstan uses Russia to counter Uzbekistan and China while Turkmenistan uses Russia to check Iran. Russia is also the "guarantor of regional stability" when Central Asian countries face inter-ethnic and territorial conflicts, and a militant form Islam.<sup>41</sup>
- 4.3 Regional powers attempt to safeguard their interests with the help of Central Asian countries, while Central Asian countries try to maximise their own interests by playing off one regional power against another. They may also increase their bargaining power over other regional powers, as is the case of Russo-American competition over the Kyrgyz airbase. The Central Asian countries appear to be actively employing strategies to prevent domination of any one regional power.
- 4.4 With the spread of extremism, separatism and terrorism being the prime concerns of the Chinese government, Chinese leaders must note that hard measures in suppressing unrests or cracking down on activists cannot fully resolve the problems. China should also think about softer measures, such as increasing civilian

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<sup>39</sup> Sebastien Peyrouse, "Sino-Kazakh Relations: A nascent strategic partnership", *China Brief*, vol.8, iss.21, 7 November 2008, p.13.

<sup>40</sup> Igor Torbakov, "The West, Russia, and China in Central Asia: What kind of game is being played in the region?", *Transition Studies Review*, vol.14, no.1, 2007, p.158.

<sup>41</sup> Ella Akerman, "Central Asia in the mind of Russia: Some political considerations", *The Review of International Affairs*, vol.2, no.4, 2003, p.28.

interactions between China and Central Asia through cultural and education exchanges or tourism.

- 4.5 Unless China has a clearer and more proactive plan to deepen its relations with Central Asian countries, its influence in the region will remain limited. As the region continues to present challenges for China, the Grand Chess Game in Central Asia will continue to prove difficult for China to play.