Dr. Evan Feigenbaum
“China and Central Asia”
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What does a landlocked region of five Central Asian countries (Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan) mean to a rising China? What does a rapidly growing China in a post-Soviet era mean to this region of Central Asia? And what do those strategic and economic developments mean, in turn, to the United States, thousands of miles away?

These were the central questions that Dr. Evan A. Feigenbaum, Vice Chairman of the Paulson Institute at University of Chicago and both a longtime China watcher and the former Deputy Assistant Secretary of State responsible for U.S. policy toward Central Asia, addressed in his talk on March 5 in the seminar series "Critical Issues Confronting China." Feigenbaum approached these relationships from the perspective of a practitioner, and warned at the outset not to over generalize about this region since the five countries are politically, economically, and socially different from one another.

Before 1991, these states of Central Asia were part of the Soviet Union. China's interest in this region was thus developed through the prism of its policies toward Moscow. Since 1991, new opportunities have emerged but China's principal objective has been to leverage cross-border relationships to help tamp down social and ethnic unrest in China's western Xinjiang region. Still, with the collapse of the Soviet Union, and as China has become more economically prosperous, China developed additional interests in this region - including in trade relations designed to anchor Xinjiang in a web of beneficial cross-border economic interaction, as well as a national interest in access to commodities such as Central Asia's oil, natural gas, mineral mines and agricultural land. But China's interests in this region have mostly been derivative of its domestic agenda, at the top of which is domestic stability.

Over the past decade, in particular, China has become a trader, a lender, a builder and an investor in Central Asia. China's trading activities with this region began in ancient times through channels such as the Silk Road. But these were disrupted and have only recent begun to be reestablished. Thus external financing from China into this region is a fairly recent phenomenon. China's financing arrangements are usually bilateral with individual countries, bypassing multilateral lending facilities, although some lending facilities have been established via the Shanghai Cooperation Organization. China's financing terms usually emphasize the use of Chinese contractors, Chinese labor and Chinese inputs, and thus are different from those of the international financial institutions and Western project finance, which could undermine the reform messages embedded in the conditionality preferred by these international organizations.
From the perspective of individual countries in Central Asia, they try to take advantage of the competition among big powers to maximize their independence and increase their bargaining power. As maritime transportation costs dropped well below those of land transportation, these countries became marginal to the global economy. But today, there are some new opportunities to restore continental trade and transit, which would also have the useful effect of bolstering their independence by reducing their reliance and dependence on a single point of transit (usually, via Russia). China thus plays an important role in diversifying their transit and trade options.

Many Chinese infrastructure projects involve things that Western countries have only talked about for decades -- for instance, diversifying pipeline infrastructure to reduce dependence on single points of transit via Russia. China built a natural gas pipeline from Turkmenistan, as well as an oil pipeline from Kazakhstan, and other infrastructure too. Gas, in particular, bears watching for further growth as China tries to change its fuel mix and promotes more energy efficiency, less energy intensity, and cleaner-burning fuels like gas. Turkmenistan gas will not provide the bulk of China's projected 300 billion cubic meters of demand by 2020, but it is important to Ashgabat and represents China's efforts to diversify its energy sources.

While China's increasing economic activities in Central Asia in the post-Soviet era have changed the strategic power balance in the region, Central Asian countries, and especially publics/citizens, do mistrust China. They worry about being swamped by the continental size and scope of the Chinese economy and these debates have influenced the way pros/cons are weighed on various economic policies, including, for instance, the merits of being in or out of Moscow's proposed Eurasian Customs Union. There is broad disquiet in various countries that Chinese workers have come to work in Central Asia while these countries' own unemployment and underemployment rates are high, with so many having to work in Russia as migrant labor. Agricultural land sales in Kazakhstan to the Chinese are also a sensitive issue.

From the perspective of the United States, the U.S. should promote these countries' sovereignty of choice and independent status - something that has become even more important symbolically in the wake of recent events in Ukraine/Crimea. The U.S. should also help them reduce dependence on any single point of transit. And on this point, the U.S. interest and China's actions overlap to some extent since China is doing infrastructure construction and undertaking other activities in the region that have had the net effect of increasing Central Asian bargaining power with Moscow and diversifying options. Still, interests are likely to diverge in the longer term, as some Chinese activities undermine U.S. messages about the need for reform. And there is uncertainty, too, about whether and how China will attempt to translate its economic influence into political influence.
The U.S. faces challenges of perception in Central Asia. The U.S. does not want to be perceived as only caring about one thing but needs a multidimensional policies that reflects its diverse interests in continental Asia. Nor does the U.S. want to be perceived as lacking commitment to this region in general, especially in the context of the U.S. preparation to withdraw from Afghanistan. On the one hand, the U.S. should have a multidimensional approach to the region; but on the other hand, it does not have the same set of tools that China has, such as state backed project financing.

Feigenbaum noted that China's interests and U.S. interests often overlap but at a high level of abstraction. Even when they share interests, Washington and Beijing often lack complementary policies because their assessments of the scope and urgency of threats and challenges diverge, and because countervailing interests and pressures get in the way.