
SUMMARY

China's relationships with Russia and the Central Asian Republics have improved steadily since the Soviet Union collapsed in 1991. Along a border once marked by military tension, China and its neighboring countries of the former Soviet Union (FSU) now foster increased trade and political cooperation. Russia and Central Asia are poised to become major suppliers of energy resources to China's rapidly growing economy. With the declaration of a new "strategic partnership" in 1996, the strategic aspect of Beijing's relationship with Moscow attained a prominence not seen since the Sino-Soviet alliance of the 1950s.

The future of China's relationships with Russia and the Central Asian Republics, and the implications for U.S. interests, is far from clear. The current harmony in Sino-Russian and Sino-Central Asian relations may be merely a prelude to a period of prolonged tension and suspicion as China's growing power comes to be seen as a threat by leaders in Moscow and the capitals of Central Asia. Conversely, the current "strategic partnership" between Beijing and Moscow might represent nothing less than the initial stage of the first major challenge to U.S. global power and influence in the post-Cold War era. At the same time, China's growing presence in Central Asia may be indicative of its impending ascendancy in continental Asia, and may provide secure land links between China and states in the Middle East (and possibly even Europe) who share the Middle Kingdom's ambivalence toward American power. While extreme, both of these scenarios are possible. It is important for U.S. policymakers to understand what combination of factors will make them more or less likely and how they will affect U.S. policy goals.

Unlike during the Cold War, close relations between Beijing and Moscow are not necessarily detrimental to U.S. interests. China and Russia are in the midst of difficult economic and political transitions. Policies that reduce security tensions, enhance economic cooperation, and develop Russian energy resources for the Chinese market could benefit the successful completion of these transitions. As such, Sino-Russian relations primarily reflect domestic economic and political considerations and pose little threat to U.S. interests.

The possible implications for U.S. interests of China's strategic relationship with Russia are less benign. Beijing and Moscow's "strategic partnership" is the product of the two countries' mutual concerns over the overwhelming U.S. economic, political, and military power in the post-Cold War world. Their rhetoric contains thinly veiled attacks on the U.S. position as the dominant post-Cold War world power and suggests the two countries will seek to reduce U.S. influence and power in the future.

At the present time, however, the importance of the U.S. export market, technology, and capital to China's continued economic development is a powerful constraint on Beijing's willingness to assume an openly hostile position toward the United States. Although the potential for conflict with the United States is real, China does not have the power to make a direct challenge. China is therefore pursuing a policy to develop a broad array of secure relationships with countries that could provide it with valuable trade, technology, investment, and international political support and thereby reduce its vulnerability to American power. China's strategic relationship with Russia is a component of this policy.

However, tensions in Sino-Russian bilateral relations are likely to become more pronounced over time. China's dramatic economic growth and Russia's economic turmoil in recent years underlie a dramatic reversal in the balance of Russian and Chinese power in Northeast and Central Asia. In the next ten to twenty years, Moscow is likely to become more concerned about the potential threat of China's growing power than it is about the enduring power of the United States.

The United States is an important variable in how Sino-Russian relations evolve. Russia and China formed their strategic partnership in

the context of sharp bilateral disputes with the United States over issues such as NATO expansion and the political status of Taiwan. Greater tension in Sino-U.S. and Russian-U.S. relations will produce a stronger rationale in Russia and China to subordinate their bilateral differences in the interest of resisting the stronger and more threatening American power. While this should not be the only factor considered by U.S. leaders, U.S. policy toward these two countries should be made with this dynamic in mind.

In Central Asia, China's open economic policies are playing a significant role in the emergence of independent and viable states in the region. China provides the Central Asian states vital non-Russian transportation routes through which the states can interact with international markets. Of particular long-term significance is a recent agreement between China and Kazakhstan to build a pipeline from western Kazakhstan to China to bring Kazakh oil resources to the energy-hungry economies in East Asia. Like the United States, China opposes the spread of Islamic extremism in Central Asia and supports the region's existing secular regimes. Beijing's primary motivation for doing so is to minimize the potential for instability emerging in the region that might threaten its own domestic stability and economic development.

China's relationships with the Central Asian Republics pose fewer potential problems for U.S. interests than does its relationship with Russia. While China may develop a dominant influence in areas of Central Asia near its border, there is little threat of China dominating the region in a manner that restricts U.S. access to its valuable energy resources. There are simply too many other actors in the oil- and gas-rich regions of Central Asia. There are, however, some aspects of China's relationship with the Central Asian states that might become problematic. In particular, land-based transportation links through Central Asia to the Middle East may facilitate greater economic, political, and military cooperation between Beijing and regimes in the region the United States seeks to isolate.