Given China’s geographic proximity, dynamic economy, and policy emphasis on promoting trade, it should be no surprise that its economic role in Central Asia has expanded dramatically since 1991. With continued economic growth and expansion of transportation links, China’s influence will continue to expand. Important questions remain, however, as to how far China’s influence in Central Asia might ultimately extend.

Though now free of direct Russian control, the countries of Central Asia remain economically and politically oriented toward Moscow, albeit to varying degrees. This orientation is the product of Russia’s long domination of the region. However, with the continued decline of Russian power, the countries of Central Asia, and possibly even regions within individual countries, are slowly reorienting themselves in directions more appropriate to their geographic position, political conditions, and economic needs. China’s growing influence in Central Asia reflects this reality.

China has never expressed any interest in extending an exclusive sphere of influence—defined as a country or region that grants priority to another country’s interests when formulating its own policies—into Central Asia. China’s main policy priorities, discussed earlier, involve avoiding instability in the region, securing access to energy resources, and expanding economic cooperation. However, as China’s economic, political, and military power grows, this ambivalence toward deeper involvement in Central Asian affairs is likely to change.
Continued strong economic growth is an obvious prerequisite for almost any scenario in which China is able to project its influence beyond its borders. Sustained economic growth will provide China with the financial resources necessary to further expand its economic presence in Central Asia. A vibrant economy will also allow China to enter more large energy-related ventures in the region, similar to one recently concluded by the CNPC in Kazakhstan. If China's economy stagnates, investments in Central Asian oil resources will become much less feasible.

It is possible, even likely, that China will develop a dominant economic and political role in some countries or areas of Central Asia. However, it is unlikely that China will be able to extend that kind of influence across the entire region. Spheres of influence generally result from one country's ability to economically dominate another or coerce it through political or military pressure. For China to exert a dominant economic influence in individual Central Asian countries, its presence there must fulfill two criteria: (1) it must meet vital economic needs of the particular country and (2) it cannot be easily substituted for by another country or group of countries.

For the countries in the eastern portion of Central Asia, China represents a dynamic and accessible market for exports and a vital non-Russian conduit through which the region can move goods to the broader international marketplace. China's geographic proximity to this otherwise quite remote region is significant. Central Asia is not an easily accessible market for the countries of the developed world. Ethnic ties between Central Asia and minority populations in Xinjiang, now free to reestablish contact after decades of enforced separation, will also increase China's interaction with the region.\footnote{Toops, 1994, pp. 21-22.}

The smaller Central Asian countries on China's border—Kyrgyzstan and Tajikistan—are the most likely candidates to move, albeit gradually, from Russia's sphere of influence to China's. This process may already be evident in Kyrgyzstan. In 1994, China was Kyrgyzstan's largest official export market and second largest official source of imports.\footnote{Economist Intelligence Report, "Kyrgyzstan Country Report," 4th Quarter, 1996.} Some observers note that China may dominate Kyrgyz-
stan’s economy within the next five years if unofficial trade, potentially quite large given the common use of barter trade, is counted.\(^3\) China also offers Kyrgyzstan road links to ocean ports in Pakistan by way of the Karakorum highway.\(^4\) The recent renaming of Lenin Avenue to Deng Xiaoping Avenue in Bishkek, the capital of Kyrgyzstan, may indicate that China’s political influence is beginning to follow its economic influence.

Some qualification regarding China’s potential economic role in Kyrgyzstan, and Central Asia in general, is warranted at this point. China will play a large, perhaps dominant, role in Kyrgyzstan as a source of imports and market for exports. However, Kyrgyzstan also requires foreign capital to successfully complete its transition to a modern market-based economic system. China itself is a developing country with pressing investment needs of its own. Because Kyrgyzstan does not have large amounts of oil or gas resources, China is unlikely to become a significant source of foreign investment. China’s economic influence in the country will therefore be limited, at least in this respect.

China’s economic relationship with Kazakhstan will also inevitably grow. Kazakhstan is already China’s largest trading partner in Central Asia, with official bilateral trade in 1997 totaling over $500 million.\(^5\) Ethic ties between Kazakhs in Kazakhstan and those in China should facilitate the further expansion of Sino-Kazakh trade. The opening of the Almaty-Urumqi rail-line, China’s granting Kazakhstan access to its ocean port of Lianyungang for trade, and its recent large investment in western Kazakh oil fields further bolster China’s economic importance to Kazakhstan. Thus, China’s economic role in Kazakhstan extends beyond commercial trade. China has committed to significant investment for Kazakhstan’s energy industry, and provides a non-Russian transport corridor through which Kazakhstan can ship its goods to world markets.

\(^3\)Munro, 1994, p. 232.
\(^5\)International Monetary Fund, Direction of Trade Statistics Yearbook, August 1998, p. 159.
Two major factors will constrain China’s economic influence in areas of Kazakhstan that do not lie near the Sino-Kazakh border. The first is Kazakhstan’s large ethnic Russian population, particularly those living in the predominantly ethnic Russian region in northern Kazakhstan along the Russian-Kazakh border. The Russian ethnic and political presence here predates that of other parts of Kazakhstan, to say nothing of the rest of Central Asia. Kazakhstan’s industry in this region remains closely integrated with Russian industry in southern Siberia. This is not to say Russians in this area of Kazakhstan will avoid profitable opportunities for economic interaction with China. The point is that this region’s stronger ethnic affinity and economic orientation toward Russia renders it less susceptible to Chinese economic domination than the non-Russian regions of Kazakhstan, particularly those lying near the Chinese border.

The second factor limiting the potential growth of Chinese economic influence in Kazakhstan is the existing and growing presence of large multinational corporate interests from developed countries. China’s recent agreement to invest approximately $9 billion to develop the Uzen oil field and connecting pipeline is noteworthy. It is also probably not the last large energy or pipeline deal China will strike in Central Asia. Nonetheless, it is significantly smaller than Chevron’s $20 billion investment in Kazakhstan’s Tengiz oil field, which began operating in 1993. Other large corporations that have entered agreements in Kazakhstan or are interested in doing so include British Gas, Mobil, Shell, Total, Agip, British Petroleum, and Statoil. China’s role and influence in the region will be limited as long as there are many large, capital-rich multinational corporations interested in investing in Kazakhstan, and the Caspian region in general.

Uzbekistan and Turkmenistan are unlikely members of a Chinese sphere of influence. Both are geographically separated from China. Uzbekistan is Central Asia’s most populous nation, and possesses the most developed sense of national identity of the five Central Asian

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states. It has also been one of the most resistant countries of the FSU to Russia’s attempts to reassert some form of control over its former possessions. Uzbekistan holds its own ambitions to expand its influence in the region, and will, therefore, not welcome a dominant Chinese role in Central Asia. Turkmenistan’s proximity to proposed western or southern pipeline routes will mean an economic orientation toward Iran to the south, and Azerbaijan and Turkey to the west.

The limited Chinese influence in the western regions of Central Asia demonstrates the general point that as one moves away from the Sino-Central Asian border, the number of outside economic and political players in the region increases. Although Russia still has a predominant influence in the region, countries such as Turkey, Iran, and Saudi Arabia are playing increasingly significant roles in Central Asia’s economic, political, and religious development. There is also the growing influence of developed nations, the United States in particular.

As explained earlier, the individual countries of Central Asia are developing economic and political links and affiliations that are appropriate to their particular geographic location and economic and political needs. Although some countries will naturally gravitate toward China, others will move closer to other nearby countries such as Iran or Turkey, and still others will remain closely tied to Russia or avoid close alignment with an outside power altogether. Insofar as China represents only one of a number of potential markets and sources of capital for the new Central Asian states, its ability to play a vital and irreplaceable economic role throughout the entire region will be limited.

China is unlikely to employ forms of political or military coercion in pursuit of its interests in Central Asia. At the present time, there is no need for China to do so. Moreover, whether China could bring sufficient military or political pressure to bear on an individual Central Asian Republic is open to question. Despite its growth since 1991, China’s political influence in Central Asia remains modest. China’s military can suppress separatist elements in Xinjiang, but it would

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face tremendous difficulties in trying to project power across its rugged Central Asian border. Of course, this situation will change as China’s economy continues to grow and its military modernization progresses.

It is not impossible that China, at some point in the future, will consider bringing significant political or military pressure to bear against a Central Asian state it believes to be providing support for separatist elements in Xinjiang. The decision to follow such a course would probably take place only in the context of sustained and large-scale instability and violence in Xinjiang, and would be based on China’s assessment of the particular Central Asian state’s willingness or ability to control the activities of separatist groups based within their borders. The current Central Asian governments have demonstrated a willingness to not promote anti-Chinese activities on their soil. This could change if a more nationalistic or Islamic-oriented government came to power in a particular Central Asian country, or if there were a general breakdown of authority in a Central Asian state that allowed anti-China forces to operate free of a central governing power.

For the foreseeable future, however, China will be reluctant to use military force against individual Central Asian states for the very practical reason that Russian guards still patrol the Sino-Central Asian borders. Military conflict with Kyrgyzstan, for example, would risk bringing China into conflict with Russia. Apart from the military dangers inherent in engaging in armed conflict against Russia, strategic considerations would constrain China. So long as China harbors serious concerns about United States’ overwhelming global power, it will refrain from taking actions that clearly and unavoidably alienate Russia. Again, the key factor in this equation is the extent to which conditions in or groups operating out of the Central Asian states threaten stability in Xinjiang.

Sustained ethnic or religious unrest in Xinjiang is the most obvious potential source of conflict between Beijing and the governments of Central Asia. An exchange between China and a Kyrgyz newspaper in Bishkek hinted at the potential divisiveness of this issue. In 1997, China protested to the Kyrgyz Foreign Ministry that the newspaper Res Publica’s coverage of Uighur riots in the Chinese city of Yining represented “impudent interference in China’s internal affairs” and
“seriously offended the feelings of the Chinese people.” For its part, Res Publica responded sharply, asserting that its editorial office “reserves the right to publish materials without sharing the author’s opinion and also publishes opinions expressing opposing opinions” (its emphasis). Res Publica went on to note that it was willing to publish an article from the Chinese embassy expressing its position on conditions in Xinjiang, provided it “does not insult the feelings of the peoples living in Kyrgyzstan.”

This exchange demonstrated three points that suggest that this issue could become a source of tension. First, China is sensitive to any appearance of outside support for the Uighur separatist movement. Second, there is an amount of popular, or at least editorial, Kyrgyz interest in the fate of Uighurs in Xinjiang. Third, the Kyrgyz government will not, at this time at least, restrict the expression of this interest through the popular media.

Should separatist violence in Xinjiang or political instability in Central Asia increase, pressure will build within the Chinese leadership to restrict activity along China’s Central Asian border. This will be more likely if Beijing concludes that its economic policies are allowing greater financial or material support for separatist elements to enter the country from the outside. It is unclear how much friction closing the border would cause between China and the various Central Asian states. It would certainly remove one of the primary foundations of the current Sino-Central Asian relationship.

The political stability of the Central Asian states themselves will clearly play a role in how Chinese influence there evolves. Despite the general stability the region has enjoyed since 1991 (with the exception of Tajikistan), serious questions remain as to the five states’ ultimate viability, at least in their current form. Nationalism is a potentially explosive political force in Central Asia. The current boundaries of the Central Asian Republics are the product of Stalin’s desire in the 1920s and 1930s to maximize Soviet control over the region, rather than to create ethnically coherent states. As a result, many members of titular nationalities live outside their home.

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republics. The most volatile example of this is the one million Uzbeks living in the Khojent region of northern Tajikistan.\(^{10}\)

These demographic conditions have yet to seriously affect stability in Central Asia (Tajikistan, again, is the exception). However, in his 1994 article, “Central Asia: The Quest for Identity,” Graham Fuller contends that this condition is temporary. The region’s reigning neocommunist leadership has, thus far, held nationalist sentiment in check. However, Fuller argues that more nationalist, or Islamic, elements seeking to define their states according to dominant nationality and culture will eventually replace this current leadership. This will occur as individual states in Central Asia develop their own national identity and attempt to “translate it into concrete political form.”\(^{11}\) The ascendance of nationalism within certain countries in Central Asia will not only affect the internal political stability of the individual states, but may also open the question of adjusting national borders to more accurately reflect demographic realities.

The rise of nationalism as a political force in Central Asia will concern China in a number of ways. At the most basic level, China wishes to avoid the instability on its border that would almost inevitably accompany a challenge or replacement of an existing government in Central Asia by a more nationalistic one. Chinese leaders will also be concerned that a nationalist Central Asian government will serve as an example for Uighur separatists to emulate and will be less cooperative with China in suppressing the activities of separatists on the border.

Not all issues with potential to disrupt China’s relations with the Central Asian Republics are related to the behavior or Chinese treatment of ethnic or religious groups in the XUAR. There are some concerns in Central Asia similar to those in the Russian Far East regarding demographic pressures from China.\(^{12}\) It is hard to gauge how serious this issue will be over the long term—Xinjiang’s population is

\(^{11}\)Graham Fuller, “Central Asia: The Quest for Identity,” Current History, Vol. 93, No. 582, April 1994, pp. 146-147.
actually smaller than that of the three Central Asian states it borders. Moreover, ethnic Chinese make up less than half of the region's population. The perception of Chinese economic exploitation of Central Asian markets and China's nuclear tests in the Lop Nor region of Xinjiang have led to a degree of contention between Beijing and various governments of Central Asia. Central Asian consumers and officials have complained that Chinese merchants frequently sell products of low quality. However, Chinese officials point out that it is often Central Asian merchants who purchase low-quality but inexpensive goods in China for re-sale in their home country. Regarding nuclear testing, Kazakhstan has lodged official protests with China in the past, expressing Kazakhstan's concerns over the potential harmful impact of the tests on ecology and overall health of the region. This particular issue, however, should not be a future problem provided China adheres to the Comprehensive Test Ban Treaty it signed in late 1996.