

“For Russia the preferred form of integration would include a formula for cooperation with China, in particular the EAEU for Central Asian states, where priority is given to the interests of the integration project and not bilateral agreements” - Nargiza Muratalieva dedicates this cabar.asia exclusive to analyzing the problem of competition between the EAEU and Chinese geostrategy in the context of Central Asia.

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The importance of Central Asia in the international geopolitical system is apparent in the development of geostrategic plans by external actors to transform the region in their own interests. The Central Asian states are often on the receiving end of projects and integrated into the geostrategies of powerful international actors due to, on one hand, the Central Asian states' low level of socio-economic development and dependence on external donors and, on the other hand, their lack of defined foreign policy strategies.

For this reason it is very important to analyze the possibilities for their coexistence and their impact on regional development.

The EAEU and Its Internal Contradictions

The defining characteristics of the **Eurasian Economic Union (EAEU)**, a **Russian project** that became active on 1 January 2015, are its:

- Institutional character
- Focus on the post-Soviet space
- Emphasis on the reindustrialization of the region's economies through economic and trade cooperation.

An important trend in the development of the EAEU is the increasing contradictions among the views of the member-states with regards to the development of the EAEU in the short- and mid-term. The growing contradiction at the core of the EAEU stems from the different

approaches to evaluating the EAEU itself. For Central Asia, the EAEU is, above all, a mechanism for simplifying trade and investment policy with Russia, but for Russia it is a geopolitical project designed to “bind” the region through the political institutionalization of relations.

This difference in approaches has led to criticism on the part of the member-states and their torpedoing of the Russian Federation’s initiative to establish a monetary union within the framework of the EAEU. There is a lack of motivation to pursue integration based on compromise and coordinated strategies for the Union, which is caused by the attempt of each member-state to meet its own perceived needs within the EAEU without considering the needs of the Union as a whole. Hence, there is a focus in the region on engagement with the projects of other external actors, which further complicates efforts to reindustrialize the economies based on domestic resources.

The Chinese Initiative: Movement on All Fronts

The Chinese Silk Road Economic Belt (SREB) initiative in comparison to other projects is the newest and in many respects the most attractive project for the Central Asian republics. Having likely drawn lessons from the progress of competing projects, the Chinese project is attractive due to the following characteristics:

1. The formation of a network of free trade zones as the basis for a transport and logistical infrastructure. This is the main project of the SREB that could be combined by other states with their membership in other integration structures.^[1]
2. The proposal to move economic and trade interaction to a yuan-based system, which is attractive due to the current “dollar crisis”.
3. The institutionalization of embedded trade and economic relations is offered without the precondition of adopting a given foreign policy.^[2]
4. The PRC has a long-held reputation as the largest regional creditor and investor.^[3]

These characteristics in particular clearly differentiate the Chinese project from the EAEU and its current course of institutionalizing relations, which limits the space for foreign policy maneuvering by the Central Asian states.

It is important to note that the geopolitical doctrine of the PRC involves more than just Beijing’s economic influence in the world. It also involves soft power in the form of the:

1. Popularization of the teaching of the Chinese language.
2. Spread of the so-called “bamboo network” of familial and personal ties in business,

which compensates for legal and regulatory shortcomings and contributes to the higher degree of adaptability on the part of Chinese businessmen to different economic conditions.⁽⁴⁾

EAEU and the Chinese Project: From Isolation to Competition

China has begun actively advancing on all fronts of their geostrategy. It is driving large-scale projects to create and develop finance, trade, and transportation systems in Asia and has begun working in the humanitarian sector.

This leads to the question of how their Silk Road Economic Belt will coexist, compete, and/or cooperate with Russia's Eurasian Project. Some Chinese experts such as Chen Yurong, an SCO expert at the Chinese Foreign Ministry's Institute of International Studies, stress that the Silk Road Economic Belt "would not contradict the Eurasian Economic Union."⁽⁵⁾

There is one more important moment that deserves attention. If there was once an unspoken "division of labor" in Sino-Russian relations, in which Moscow played an active role as the caretaker of regional security and surrendered the economic sphere to China, then now an imbalance has begun to take shape in this relationship. China has begun to more actively involve itself in security issues and invest in the military sphere.

During the April 2014 meeting of SCO security officials in Dushanbe, the Chinese Minister of Public Security, Guo Shengkun, put forward a proposal to establish a SCO Center to fight against challenges and threats to security, which speaks to the fact that Chinese leadership is changing its notion of the universality of economic instruments in foreign policy. In fact, the PRC is afraid that the existing unspoken agreement with Russia on respective spheres of influence in Central Asia in the context of the Eurasian Union's structures taking shape could, in the end, lead to the region falling out of China's sphere of influence.

In this case, difficult international conditions characterized by a cooling of relations between some actors and deepening cooperation with others has led to the "linking of geopolitical projects". During a May 2015 meeting between the heads of the Russian Federation and People's Republic of China, an initiative to pair the EAEU and the SREB with each other was launched.

It is important to note that the term "pairing" can be understood in two ways: as a total merger of projects or the identification of those areas where cooperation is possible while still maintaining their independence.

In the first case, there is the question of who would dominate and how would the other's project be absorbed, in the second case there is the prospect of a long negotiation process that would take into account the position of the member-states backing the two projects. The rapid geopolitical transformation in the world makes these negotiations truly difficult. If we consider the option involving absorption, then the objective conditions of development and expert assessments indicate an imbalance in favor of the Chinese initiative as opposed to the potential of the EAEU. For example, according to a source within the Russian Railways, the SREB is viewed as a "project for the Chinese enslavement of Central Asia and, later, Russia. The only thing (the Russian Federation) has gained in agreeing to this 'pairing' is being placed later in line for absorption."^[6]

In this sense, it is important to note that the goals of the EAEU and the SREB are mutually exclusive. China is trying to create favorable conditions for promoting its own products on the global market as well as develop its own western provinces, the Xinjiang Uyghur Autonomous Region above all, which leads to viewing the EAEU as a transit corridor and potential sales market. This in turn contradicts the EAEU's goal of industrializing the economies of its member-states, who would later integrate into the international system of the division of labor. Additionally, the idea to create a single currency for the SREB is being actively discussed by experts in China. Naturally, the yuan is to carry out this role.

For Russia the preferred form of integration would include a formula for cooperation with China, in particular the EAEU for Central Asian states, where priority is given to the interests of the integration project and not bilateral agreements. However, realizing this form of cooperation in line with the EAEU is in reality very difficult for a few reasons.

First, it is understood in China that there are internal contradictions within the EAEU, and that the mechanisms for cooperation are not clearly defined. The EAEU is still in the stage of institutional formation, which means the exact rules of the game have yet to be set.

Second, the competition among the Central Asian states for Chinese investment, which sets the tone for a strengthening of bilateral ties, is to China's benefit due to its objectively greater size and power. Weak coordination and cooperation among the EAEU member-states leads to the strengthening of the bilateral format for relations with China.

China has already begun to actively cooperate bilaterally with the EAEU states in the framework of its own project. In particular, a series of agreements were signed to realize the Kazakhstani "Nurly zhol" national program within the framework of the SREB in cooperation with China.^[7] Additionally, Central Asia is one of the PRC's top priorities. This is evidenced by the creation of the Silk Road Fund, which is dedicated to financing projects

involving transportation and logistics in the region. The question regarding the form of cooperation with the other members of the EAEU, Armenia and Belarus, remains open.

If we are to talk about any pairing in cooperation between the EAEU and the SREB, then it is important to specify the areas of cooperation that are of the highest priority. In this respect, there is an encouraging attempt by the Eurasian Economic Commission to form a list of priority joint infrastructure projects with the SREB taking into consideration the interests of the countries of the EAEU.^[8] There are plans to create a “road map” for cooperation between the EAEU states and the PRC based on these chosen projects. The idea of pairing will begin to take on real tangible effects if a document can be drafted that is a clear policy as opposed to a declaration of intent with the consensus of all those participating in the process while meeting their needs.

Another question that remains outside of the EAEU and SREB equation is the role and place of the SCO in this pairing. On one hand, since the beginning of China’s implementation of its geostrategy, the SCO has not been viewed as the main mechanism for cooperation with Russia and the Central Asian states. It should be noted that the SREB as an initiative might be more flexible and adaptive. It could change according to the realities of international relations and introduce ideas of a new format and level, which could be quite effective. On the other hand, the institutional structure and already established form of cooperation between member-states does not allow the SCO to become unnecessary as an organization.

Conclusions

Currently, the region has become an object of contention and competition between a few “geopolitical projects” offered by key global political actors. This condition of geopolitical uncertainty has formed due to the “multivector” foreign policies pursued by the Central Asian states and their membership in a large number of intergovernmental regional organizations. Some of these organizations contradict each other, while others duplicate each other.

First and foremost, the geopolitical projects offered to the Central Asian states reflect the national interests of the project initiators. Considering the “geopolitical demarcation” of the region in accordance with defined geostrategies, the role of external influences on the processes within the region is large. This alignment reflecting the tactical maneuvers of the Central Asian states in the geopolitical arena without a clear vision of their place within the regional architecture will most likely not lead to predictable results.

Considering the dual nature of this “pairing” it is hard not to agree with Feng Yujun, the

Director of the Institute of Russian Studies of the Chinese Academy of Contemporary International Studies, when he said that “in modern integration processes, the winner is the one who integrates before everyone else.”^[9] Therefore, Russia and the Central Asian states should understand that the SREB is a modern reality, which should be accounted for and used to realize their own goals and objectives.

Based on that, it would appear that the idea of “pairing” the geopolitical projects of Russia and China is rather unclear and blurry at the moment. In this way, it can be assumed that *these projects may coexist and remain projections of the geopolitical interests of the initiating countries without complementing each other within the framework of a unified strategy due to the pragmatism of actors on the international arena.*

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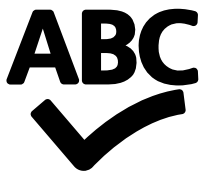
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