

# CHANGING PLACES: SINO-AMERICAN RIVALRY AND COOPERATION IN CENTRAL ASIA

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## Introduction

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## Introduction

When most United States' combat troops leave Afghanistan in 2014, it will symbolize the end of a war that has dramatically changed the geopolitical landscape in Central Asia.<sup>201</sup> In particular it will highlight the demise of Western influence over the region, and the rise of Asian players, especially The People's Republic of China. In this paper we will analyse the main geostrategic shifts that are visible in the area, and how the main global protagonists, namely the United States and China, are likely to adapt to them. Even though the situation clearly requires major changes in policy with respect to Central Asia in both capitals, there are internal obstacles in both countries that will likely weaken their respective positions. Other local players such as Russia, Iran and India are likely to benefit from a failure by the two global rivals to adequately react to the changing circumstances.

The ability, or lack thereof, of China and the U.S. to find and accept this new balance of powers between them will decide the future of the region. Cooperation, rather than confrontation, would benefit both powers as well as enhance local stability. If there is a resurgence of the "Great Game,"<sup>202</sup> with geopolitical competition manifesting itself in Afghanistan and its surroundings, China and the U.S. are both likely to lose terrain to other regional actors. Therefore, their main challenge will be to overcome internal obstacles to clear the way for an effective power balance in the region.

## A tale of two cities

Thus far, the 21st century has been marked by a surge in the

<sup>201</sup> For practical purposes, in this paper we use a broad definition of "Central Asia" to include Afghanistan.

<sup>202</sup> The term "Great Game" describes the geopolitical rivalry and interaction between the British and the Russian Empire in the 19th Century which mainly occurred in Central Asia.

relevance of non-state actors, seemingly replacing governments step by step as the ultimate international and geopolitical players. Financial and economic flows threaten states to the brink of collapse, informal networks aided by the internet know few boundaries, and terrorist networks cause long-lasting warfare seemingly unwinnable by traditional armies. In this whirlpool of change and confusion, it is curious to see that one of the main losers thus far, the U.S., is a country that on paper should be comfortable with movements away from state control. Likewise, one of the main winners of the 21st century so far, China, owes its whole success to centralised state policy, albeit deceptively guiding unbridled entrepreneurship.<sup>203</sup>

These two countries have experienced global changes over the past decade in very different ways. One having lost its undisputed post-Cold War status as the only superpower left, whereas the other embraced these changes and reached a dominant geopolitical presence. Now, the world is approaching a tipping point: Washington and Beijing will soon have to face a reality with which neither one feels particularly comfortable. The former has to redefine its role in the world in more limited and less romanticised terms, whereas the latter will have to step up to its newly acquired position of global power and face the responsibilities that come along with it.

Recent geopolitics has been marked by two main issues: the U.S. war against terrorism and the rivalry between the U.S. and China. Whereas the former issue is dying a slow, death, the latter is still very much alive and kicking. This competition between Washington and Beijing is especially open and tough when it comes to natural resources worldwide. Both powers are active everywhere, from sub-Saharan Africa to central Asia. Lately, China has been winning. The world has grown wary of U.S. involvement in regional politics, and its Asian rival's non-nonsense approach seems refreshing to many local leaders. The Americans' cause has not been helped by the damage done during the War on Terror, of which the security situation in Afghanistan and Pakistan is one of the last important remnants.

With the United States losing its economic and diplomatic hegemony, and China still growing stronger year by year, this global rivalry displays all the marks of the old being replaced by the new. According to this view, "given China's rise to global supremacy, the real task facing the Obama Administration and its successors - comparable to Olivares's long administration of

<sup>203</sup> This follows a significant body of literature that has come out over the past few years about the U.S. declining empire argument. See for example Mabhubani (2006), Gray (2009), and Jacques (2009).

the Spanish Habsburg Empire in the seventeenth century will be to manage the impact of long-term geopolitical decline” (Evans 2009, 108). Even if China is not impervious to economic woes either, there is no doubt that geopolitics is shifting: the United States can no longer play the omnipotent force it thought it would be in the 21st Century.<sup>204</sup> It is increasingly forced to cede terrain to others, and especially to Beijing.

The United States still has by far the largest and most powerful military in the world, outspending China by at least five-to-one. It also has per capita GDP six times higher than the People’s Republic. But geopolitics is an art of trends rather than static data, and trends as well as perceptions are clearly favouring the Asians. Even with some recent slowdown in economic growth, China is still growing at least three times faster than its American counterpart. The large dollar reserves held by the Chinese, estimated by the US treasury to be around \$ 1.8 trillion, adds to an image of Asian success versus Western decline.

China has become increasingly confident over the past decade, in part because of the obvious decline of its American counterpart. Whereas until recently its international policy was almost exclusively focussed on the acquisition and control of natural resources to feed its economic growth, it is now showing signs of expanding its agenda to other fields. It has been investing heavily in its military and space exploration (Wong and Chang 2011), for example. This is not an obvious move: China has historically been inward looking, and playing the role of global leader may suit nationalist pride but does not come naturally to Chinese policy makers. Partly because of the experiences in Libya- in which it was wrong footed by aggressive Western foreign policy during the removal of Muammar Gaddafi - Beijing seems to have decided that economic focus is not enough anymore, and that a more holistic approach is needed. This includes more aggressive and overt diplomacy, even if it is still virtually non-existent in comparison to the thundering voices coming from the other side of the Pacific.

This is reinforced by the need of Chinese policy makers to keep its growing middle class from demanding drastic political change. Stability largely depends on continued economic growth, but also on a careful nurturing of nationalism. The government’s legitimacy is intricately linked to it being seen as a vehicle for local Chinese supremacy and international prestige. Counter-arguments, such as that a strong Chinese middle class

<sup>204</sup> See for example the now infamous The Project for an American Century, <http://www.newamerican-century.org/statementofprinciples.htm>

is inherently conservative and less tolerant of sacrifices for the greater good (Johnston 2004), do not seem to be shared by policy makers thus far.

The United States, on the other hand, seems slow to adapt to the changing realities. Even though there is clear concern about its economic woes, its diminishing role in world affairs is still poorly understood in Washington offices, let alone among the wider population. Contrary to China, the U.S. has come a long way since the days of splendid isolation. It has come to see itself as the protector and guarantor of Western values. Its own image of exceptionalism - a permanent example for other nations to follow - was always an essential part of its existence, but has transformed into evangelical proportions over the course of the 20th Century. This cultural and political national paradigm is still strongly reflected in its foreign policy-decision making process.<sup>205</sup> Add to this the institutional and cultural resistance to paradigm shifts that characterises any state-actor as large as the U.S., and the result is a foreign policy system that displays considerable latency in reducing its ambitions and redefining its objectives according to more limited parameters. Sooner or later, however, Washington will be forced to revise this basic premise of its policy, and develop a more pragmatic stance on its position in the world.

With respect to Central Asia, one of the main battle grounds for this 21st century rivalry between the two global powers, this means that the US is overreaching locally, while China is more restrained than its potential influence and power would suggest. In other words, one wants to control local dynamics, but is no longer sufficiently capable of doing so, while the other has the means, but not the will.

### **Afghanistan and central Asia at a crossroads**

The geographic location of Central Asia is near or at the centre of many of the major issues facing geopolitics today: international energy rivalry, cultural and military conflicts, and spheres of influence all unite in the region. It is on the edge of the Middle East and Kashmir, it hosts both transport routes and pipelines as well as deposits of oil and natural gas, and because of the West's war in Afghanistan, the region harbours the largest military operation in the world; essentially a U.S. military operation in

<sup>205</sup> After being accused by Republican presidential candidate Mitt Romney of believing that „America's just another nation with a flag“ (Romney 2010, 29), President Obama said at a press conference on January 30th, 2012 that his „entire career has been a testimony to American exceptionalism.“ It is worth noting that the term „exceptionalism“ was coined by Joseph Stalin as a derogatory description of US foreign policy.

the geographical backyards of China and Russia.

Throughout history, Afghanistan and Central Asia have been a backyard of geopolitics. A region without the agricultural possibilities to create a local powerbase, it has been marked by nomadic tribes and trade routes connecting the oriental world to western counterparts. This has led to a constant struggle for nominal control and influence by outside powers. From the expansion of Islamic and Chinese empires to the “Great Game”, and from silk routes to modern-day oil pipelines, Central Asia has always received high levels of interest by the prevailing global powers of the time. This, of course, is true up to this day.

The southern region’s lack of internal stability combined with its central location, are the main factors behind this global interference. In the more stable north, interest in its natural resources is growing as well, with vast oil and gas reserves, as well as uranium, gold and copper deposits. Yet it is its geographic location that makes it truly important, and it is its instability that historically encouraged outside actors. This combination of relevance and accessibility is what gives Central Asia such a particular place in world affairs.

In this sense, it is convenient to distinguish between these two very different parts of the region: the South, dominated by the war in Afghanistan and even the instability in Pakistan, and the central/northern part, i.e. its more stable and natural rich ex-Soviet republics. The focus of this paper is on the events currently occurring in the former, but this cannot be analysed in isolation from their northern neighbours.

They share many of the issues that make them relevant to geopolitics, such as transport routes and pipelines, natural resources, and potential security risks in terms of regional separatism and possible terrorism. But these more northern regional actors also have high literacy rates, a strategic location similar to that of Afghanistan, and an ambiguous relationship with another global player, Russia (Farra et al. 2011). This makes them attractive trade partners and potential allies to Washington or Beijing. But it is also exactly what sets them apart from Afghanistan and, to a lesser extent, Pakistan. Because of their internal stability and access to sources of economic wealth, the northern states are represented by sovereign governments that respond to diplomatic discourse and economic incentives.

Afghanistan, on the other hand, is sovereign only nominally, and is not a potentially useful partner on the international stage

as countries like Kazakhstan or Uzbekistan are. After a decade of warfare, which already followed a long and bloody history of violence, Kabul is only a local partner to external actors, and as such is treated very differently.

In effect, an analysis of wider Central Asia is an analysis of two separate regions that share one important commonality - their strategic location - but in which one is attractive to foreigners because of its internal weaknesses, and the other because of its internal strengths. This is not to say that besides their location they have nothing in common. Because of their shared strategic location, the future of the north and south are intimately linked by one common factor: foreign powers.

Russia's role in the rivalry between China and the United States is an interesting and flexible one. An obviously dominant actor in Central Asia, Moscow nonetheless has a more pragmatic and limited agenda when it comes to the region, mostly focussed on old alliances or tensions with ex-Soviet republics and on energy policy. This makes it easier for the Kremlin to adapt to the changing power balance between Washington and China.

All of this makes Central Asia, and Afghanistan in particular, a good case study of future Sino-American relations and their geopolitical balance of power: a weak, failing state surrounded by economic, political and military interests, with other powerful actors ready to use any sign of weakness on behalf of Beijing or Washington. Contrary to for example sub-Saharan Africa - where the rivalry between China and the U.S. is more clear-cut, spurred on by economic interests - in Afghanistan cooperation and power-balancing are much more likely to occur.

### **China's reluctance to become more aggressive...**

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The stage in Central Asia is set for a swapping of places between the U.S. and China. Washington can no longer afford a military presence anywhere near the numbers of the past decade, and will have to drastically reduce its presence in the region. China, on the other hand, can no longer maintain its limited foreign policy approach of mostly focussing on economic objectives. As a rising global power, and with very clear interests in Central Asia, it will need much more aggressive political, cultural and military involvement. Without that, its security and economic interests - ranging from oil pipelines to regional terrorism and nuclear



proliferation concerns - will suffer.

Unfortunately for both Washington and Beijing, geostrategic presence exhibits clear economies of scale. This means that one cannot pursue true hegemony over regions without going all-in; low or medium intensity presence can still be useful for specific goals, but not for the kind of domination the U.S. desires and China needs in Central Asia. In order to be able to influence and control local players in sufficient measure, foreign powers need a credible arsenal of tools at their disposal.

The United States' tendency to overreach in Central Asia may turn out costly - as it already did during the past decade in Afghanistan and Iraq - , but it is less of a threat to Washington's long-term interests than China's inherent reluctance to engage in the region is to Beijing. The American position will find an equilibrium eventually, and it is a matter of how and when rather than if. This equilibrium will necessarily have a greater focus on economic interest than any type of political or cultural imperialism, and while the stickiness of any latent imperialism will determine the cost of transition, it is unlikely to determine the eventual outcome.

Beijing, on the other hand, is not only still searching for its place in global politics; it is also continuously searching for internal balance. Get this balance right, and Beijing will manage to position China as the most successful state actor in the first half of the 21st Century, celebrated both internally as well as internationally. Get it wrong, and it might lead to internal unrest and display the regime's fragilities. This scenario is not necessarily one of imminent collapse, but rather of gradual erosion of an economic model based on continued growth (Walter & Howie, 2011). Revising its non-interference policy will therefore be both a sensitive as well as a crucial aspect of Chinese foreign policy in the coming years.

The ideal model for both nations to adopt would be not so much one of competition between each other, but cooperation in the face of local rivals. Whether this is a realistic scenario remains to be seen, but it is clear that countries such as Russia and India are to benefit from a lack of Sino-American hegemony. Regional instability and weakened Chinese and Americans would allow these secondary powers to pursue their own, much narrower agendas.

It is in this light that China has started taking tentative steps towards a greater political and strategic presence in the

region, including Afghanistan.<sup>206</sup> While the United States is focussed on withdrawing its troops and pursuing a much more limited political agenda in the region, China's interests in the country have gradually become significant and no longer limited to economic cooperation. In 2006 the two countries signed the important Treaty of Good Neighbourly Friendship and Cooperation which created the pillars of their current bilateral relations, and in July of 2012 Beijing announced a new strategic partnership with Hamid Karzai's government (Perlez 2012). This followed a number of cultural exchange initiatives and economic deals involving natural resource extraction and other economic interests, and Chinese total investments in the country have passed \$ 10 billion (Zhao 2012). By 2010, it had also already provided nearly \$200 million in foreign assistance (Tran 2010).

The strategic partnership, however, goes beyond economic interests. It focuses on cooperation in security and the fight against terrorism and is a direct consequence of China's concerns about what impact a strong Taliban presence might have on its own border provinces, in particular the autonomous region of Xinjiang. An additional matter of concern is the drugs trade: Chinese officials estimate that over 20% of heroin in their country comes directly from Afghan fields (Fox and Korski 2008). This issue of its border provinces overshadows all other concerns for Beijing in Afghanistan, and has led to close cooperation between the two governments, with China actively taking part in the economic rebuilding of the war-torn nation and is therefore considered a priority from a security perspective.

It is telling, however, that China treads lightly when it comes to condemning the Taliban. Once again it tries to influence affairs from the shadows, without unnecessarily alienating actors that could become potential partners if circumstances change. Beijing is pragmatic above all else: its close relationship with Afghanistan is with the state, independently of who makes up its internal actors (Ng 2010). So far it has stayed clear of involving itself in political matters, still respecting its policy of non-interference. Moreover, it has declined to get involved in military operations or cooperation. China explicitly refused to support the ISAF, despite requests from London and Washington, and it did not join the Northern Distribution Network set-up to supply ISAF's growing supply demands.

Karzai's government has an understandable interest in expanding their partnership with Beijing even further, hoping to

<sup>206</sup> The growing importance that China attaches to relations with Afghanistan is palpable from official press releases, such as this one: „The comprehensive and cooperative partnership between the two countries continued to grow. China attached importance to developing its traditional friendship with Afghanistan. It supported the peaceful reconstruction of Afghanistan and continued to provide assistance to the best of its ability“. <http://www.mfa.gov.cn/eng/wjlb/zzjg/yzs/gjlb/2676/t15822.htm>



play the same game some African nations are starting to play: use China as a counterweight to Western dominance, creating a more equal relationship with both the US and China. The path for the People's Republic is clearly available, if they decide to take it.

### **.... while US ambitions remain unrealistically high.**

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Simultaneously, it is not clear that the United States' policy makers sufficiently realise - or are sufficiently able to respond to - the need to scale down American ambitions in the region. Even though the troop withdrawal in 2014 is a significant step in redefining the U.S. approach to Afghanistan, there is little evidence to suggest that Washington has significantly lowered expectations with respect to its reach and foreign policy abilities.

Secretary of State Hilary Clinton declared that "to those in Asia who wonder whether the United States is really here to stay, if we can make and keep credible strategic and economic commitments and back them up with action, the answer is: Yes, we can, and yes, we will" (Clinton 2010).

Meanwhile, the U.S. continues to have extraordinary faith in the Pentagon and the usefulness of military might. Despite two wars in Iraq and Afghanistan that did not succeed in delivering the desired outcome, policy makers in Washington believe their military is still their main weapon on the international stage.

Unfortunately, it is difficult to envision how its armed forces can deal with the plethora of challenges ahead. Pakistan's nuclear arsenal, regional control of natural resources, central Asia's impact on the Middle-East and curbing Chinese influence in the region all remain priorities of US foreign policy. American policy makers almost consider the 2014 withdrawal to be an isolated event, born out of economic and military necessity, rather than a sign of a wider review of U.S. geostrategic behavior.

### **Regional cooperation despite global rivalry?**

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At the regional level of Central Asia, the United States and China have a lot to gain from cooperation rather than competition. They both benefit from a stabilized Afghanistan, and could complement each other in dealing with regional actors. China could use its special relationship with Pakistan to improve

counter-insurgency and anti-terrorist efforts, while the American relations with India and ex-Soviet republics could prove valuable to China. As Evans eloquently puts it, “for both the United States and China, the realities of independent strategic power are disciplined by East Asian geopolitical bipolarity, the possession of nuclear arsenals, and the reality of intersecting economic-financial interests” (2009, 128).

Moreover, without geopolitical tensions interrupting local affairs, regional rivals would be less of a threat. In Afghanistan, Kabul will attempt to exploit any competition between Washington and Beijing. In Pakistan, Islamic actors and even India are likely to endanger the common agendas of both superpowers. To the north, and especially when it comes to energy policy, Russia will also look to benefit from local rivalry between China and the U.S.

The question is to what extent both actors will feel comfortable in their new roles. Global rivalry between the two nations will continue, stretching from Africa all the way into a possible space race. Even if they can set those concerns aside when it comes to Central Asia, their mutual reluctance to adapt to their new roles could lead to further instability. The U.S. will want more than it can handle in the foreseeable future, and China still shows a reluctance to pull its weight in order to fill the gap left by U.S. withdrawal of troops and loss of influence. And despite the withdrawal, the Americans still put greater emphasis on military might than the Chinese feel comfortable with. Consequently, institutional and systemic latency to changing environments and geopolitical positions are a danger to both.

The U.S. would do well to adopt parts of Beijing’s non-interference policy, whereas China could do with a little more of Washington’s belief in exceptionalism. If the two global rivals fail to properly understand their interdependence surrounded by Asian complexity, they will leave a local power vacuum harmful to both.

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