

# 1. China's Eurasian footprint

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The Eurasia we speak of in the 21st century focuses on interactions: China's engagement with wider Central Asia and Russia, Russia's 'pivot' to the east, the complex dynamics of Central Asian nations, and the economic and geopolitical engagement of a range of bordering actors (the EU and India) or engaged 'external' states (the US and Japan). This Eurasian landscape is beset by major challenges that are the drivers of 21st-century global politics, including competition for energy and resources, intensified patterns of transnational terrorism, and the quest for 'new' great power relations. The wider region is a volatile mix of accelerated modernization and underdevelopment, ranging from the futurist landscape of Astana, the glittering capital of Kazakhstan, through to the mountainous, poor and conflict-prone borders of Tajikistan and Afghanistan. Rather than being a mere periphery, however, the Eurasian heartland is now seen as a key zone for enhanced connectivity that is crucial for Chinese and Russian economic development, for governance initiatives in support of global security, and the nexus for interregional cooperation.

Instead of a single geo-strategic chessboard, it is better to consider Eurasia as a set of unfinished developmental agendas, poorly coordinated integration processes, and clashing 'grand strategies' that shape the lives of over four billion people (see Sakwa 2016a; Fallon 2015; Cohen 2005; Brzezinski 1998; Dawisha and Parrott 1994). Eurasian processes will need careful management in the medium term to ensure stable inter-regional flows to the West and East and to avoid rebound and 'blow-back' effects that could further destabilize global cooperation. The past interventions in Afghanistan and the ongoing crisis in Syria, with its attendant flow of refugees and fractious religious politics, are two clear warnings that destabilized states at interregional linkage points can have vastly amplified transnational effects. In this context, China's deepening engagement in Eurasian affairs and its evolution into a global power (with its attendant risks) have not been systematically or clearly analysed in popular or academic publications, partly due to a tendency to position these debates alongside the mantra of the China-threat thesis (Mackerras 2015; Kaplan 2016). China's emerging role goes well beyond

the competitive, zero-sum 'geopolitics' of the Eurasian 'chessboard' or efforts to balance US, Indian or Japanese influence. China is seeking to evolve new agendas and shape relationships that avoid the dilemma posed by its 'maturing' and slowing economy, thereby minimizing the likelihood of strategic containment by the US and its allies. Likewise, China's leadership has no wish to be captured by Russia's confrontational military policies that could lead it into a more general conflict with the US and the North Atlantic Treaty Organization (NATO). This gives the PRC a limited window to establish itself as an essential arbiter in Eurasian cooperative and integrative processes, probably within a ten-year frame but certainly within two decades given current trends (see further Chapters 5 and 8).

Continuing tensions between the United States and China have generally overshadowed the great drama that played out during the second decade of the 21st century: China's evolution from an Asian regional player to a 'new type' of global power based on comprehensive continental and maritime capacities, both military and commercial. The sustainability of this transition rests largely on how well China manages its 'Eurasian footprint', including economic, environmental and security factors. This will be a challenging task given divergent perceptions of global issues by Russia and China and a changing balance of power that is not entirely moderated by the Shanghai Cooperation Organization (SCO) and new trans-Asian dialogue mechanisms. These processes include the Conference on Interaction and Confidence Building Measures in Asia (CICA), the Heart of Asia Process, the Xiangshan Forum, and the Ulaanbaatar Process (a civil society process focused on Northeast Asian challenges, operating from 2015), for which China has expressed intensified support in recent years (Tiezzi 2014a; Enkhsaikhan 2016). At a formative stage, such groupings represent the beginnings of a networked Asia in which China has a central role. The 'open regionalism' approach is followed, but with a focus on avoiding formal alliances:

A similar approach was evident in China's annual regional security conference, the Xiangshan Forum. At its October 2016 meeting, there was a call for 'partnership' in maintaining security in the region (as distinct from an alliance system), adhering to the 'family spirit' in Asian culture, being inclusive (the United States and its allies were welcome), and avoiding a formal structure but instead encouraging a 'comprehensive, multi-level and multilayered network'. (Ekman 2016)

However, these multilateral and multitrack groupings have yet to translate into security and managerial structures that are strong enough to consistently mitigate dangerous forms of great power competition and to

manage human, energy and environmental crises that continue to galvanize the political landscape and population of Eurasia. This means that bilateral relations and their management, especially among great powers, remain crucial for Eurasia's future, a fact well understood by Russia and China (see Chapters 4 and 5). China's path to becoming a Eurasian, and not merely an Asian great power, however, is marked by serious challenges that require a new phase of foreign policy activism, proactive economic policies, and increased security roles. This can be seen not only in the singular case of the PRC's enduring problems in Xinjiang, its main gateway into Central Asia, but also through a set of strategic dilemmas that have emerged as China's rising power has increasingly enmeshed it in regional and global affairs.

## CHINA AS THE EMERGING EURASIAN POWER

Intensive patterns of energy competition and resource usage since the year 2000 have gradually evolved into a new form of geo-economics that, if completed, will greatly transform Eurasian economies and societies. This has moved past the stage of an 'inadvertent empire' of Chinese influence, or vague US formulations of a 'Greater Central Asia' linked to South Asia as suggested, but not funded, by the idea of a New Silk Road (NSR) from 2011 and the earlier 2005 proposal of a Greater Central Asia Partnership for Cooperation and Development (GCAP).<sup>1</sup> Likewise, revised US policies by 2017 suggested a more regional approach towards Afghanistan, factoring in concerns about Pakistan and supporting Indian involvement, though not adequately engaging China, Russia, Iran or other concerned states (IISS 2017). In contrast, PRC-led initiatives are being announced and funded even before they are fully elaborated conceptually. The Silk Road Economic Belt (announced by President Xi Jinping from September 2013 during a visit to Kazakhstan) was linked to the Maritime Silk Road project as the 'One Belt, One Road' (OBOR), then further developed through the National Development and Reform Commission and authorized by the State Council in March 2015.

This sweeping and complex agenda will lead China into intensified engagement with South Asia, the Middle East, parts of Africa, and eventually European states (NDRC 2015). In its complete form it would engage some 67 countries across three continents, with initial OBOR projects of around \$250 billion being drawn from several institutions including the Silk Road Infrastructure Fund, the Asian Infrastructure Investment Bank (AIIB), and the BRICS New Development Bank (Dong et al. 2016; Brewster 2015; Escobar 2015a and 2015b). This sum remains

well below the infrastructure needs of the Eurasian region, estimated by the Asian Development Bank to be at least \$800 billion annually, highlighting the need for further investment and development of OBOR (ADB 2016). Several major Chinese banks have been mobilized in related projects, including China's Central Bank, the China Development Bank (CDB, the largest development bank in the world, with outstanding loans of about 200 billion euros), and the Export-Import Bank of China, in order to provide further investment that may well total over \$1 trillion in the long term (Sajjanhar 2016; Bader 2015; Le Corre and Sepulchre 2016). The OBOR project was widely seen as the start of a major shift of the PRC's prevailing economic model, necessary with growth slowing below 7 per cent per annum, though some see official figures as optimistic (see Emmott 2016). This new model would stimulate industrial needs and absorb excess capacity, generate new consumer demands both inside and outside of China, and increase resource access for China, while PRC industries would move up the technological ladder and engage more deeply in service and knowledge sectors (Preston et al. 2016; Fukuyama 2016). OBOR has since been expanded beyond the two Silk Roads into a widening network of corridors and maritime networks, retranslated as the Belt and Road Initiative (BRI), which is also meant to be a more inclusive and open term. Such a shift of Eurasia's developmental path poses significant risks if it is underfunded, poorly managed, fails, or moves too slowly to stimulate both Chinese and partner economies (see further Chapters 6 and 8).

Such projects are complicated by the failure of any single organization to manage Eurasian political affairs as a whole: the SCO's leadership potential is weakened by different visions of the organization by China and Russia, while Russia's key regional organizations (the Collective Security Treaty Organization, CSTO and the Eurasian Economic Union, EEU) are incompletely aligned towards the west of the Eurasian landmass. With the failure of a truly inclusive Eurasian Union (as had been proposed by Kazakhstan in the early 1990s), both the current EEU and CSTO tend to be driven by Russian security perceptions and position themselves as competitors or alternatives to the EU and NATO, creating new divides that make Eurasian integration 'a fundamentally contested project' (Sakwa 2016a, p. 113). Eastward, coordination is less contested, but security cooperation between the CSTO and SCO has remained limited (see Chapters 2 and 6). Coordination between the potentially competing projects of the EEU and BRI has begun with efforts to direct investment towards northern transcontinental rail and energy linkages, thereby enhancing connectivity among Russia, Kazakhstan, Mongolia and China as a new *Continental Economic Partnership*, evolving from

discussions held at the July 2015 SCO Summit (Lo 2017a; Grieger 2016; Rambler News Service 2016; Albert 2015). In this context, mechanisms have been set up to reduce the impact of EEU external tariffs for transshipment hubs such as Kyrgyzstan,<sup>2</sup> though these will benefit government more than business groups in the short term (Leonard 2015; Bowring 2014). Overall, Russian engagement in BRI has remained somewhat secondary, with China's economic engagement across wider Central Asia increasing rapidly since 2012 (Lo 2017a).

Improved relations with developing and established powers are central to China's future. China has been keen to pursue a nuanced vision of functional multipolarity not only as a way of reducing the dominance of the United States, but also to position its relations with Russia in a wider context. The BRICS grouping (comprising Brazil, Russia, India, China and South Africa) can contribute to this agenda, but by itself this is not enough to ensure a multipolar Eurasia. Here, a new wave of positive diplomacy towards the EU and key European states, including Germany, the UK and France, has provided a more comprehensive approach for Eurasian cooperation. In spite of past tensions (over human rights and trade issues), China is increasingly seen as a valuable partner in dealing with a wide range of governance issues which are central to Europe, for example global economic growth, environmental management, the continued stabilization of Afghanistan, and future energy security (see Chapter 7). Intensified involvement in BRI projects would deepen cooperation between Europe and China more comprehensively than current bilateral ties, the ongoing China–EU dialogues, or the wider Asia–Europe Meetings (ASEM). Positive engagement with the EU will also have political benefits, allowing China to avoid over-reliance on Russia as a major security partner and arms provider, a trend that has gained momentum under unremitting US pressure. The prevailing phase of issues-based engagement gives Beijing added global influence while allowing the EU to make progress on a range of global governance issues including climate change, terrorism, transnational organized crime and nuclear non-proliferation (see Kirchner et al. 2016).

China's prosperity and security rests on its ability to moderate diverse aspects of the 'Eurasian process'. The sustainability of China's global role depends on how well it can manage new cooperative relationships that have hitherto eluded Russia and the United States. Some Western commentators have viewed these trends in terms of great power competition, 'offensive realism', as part of an emerging alliance with Russia, or suggest a coming Eurasian anarchy that will undermine the cooperation needed for Eurasia to be the basis of China's future power (Mearsheimer 2015; McFaul et al. 2014). These concerns are largely

informed by perceptions of Chinese and Russian weakness: domestic insecurity, slowing economic growth and a resultant assertiveness designed to capture nationalist audiences (Kaplan 2016). There is a certain irony to such analyses: Robert Kaplan, for instance, suggests that these states have the kind of reactive bellicosity often assigned to declining global hegemons (such as the US) in international relations theory, and has suggested a need for the West to set up 'clear red lines' backed up by military power. The BRI investment schemes are represented as 'elegant aggression', apparently directed against the United States while both the Russian and Chinese leaderships are described as having 'their backs against the wall' (Kaplan 2016). These descriptions profoundly misunderstand the leadership dynamics of both countries, and do not apply even to troubled states such as Uzbekistan and Kyrgyzstan, which are more worried about transition dynamics to new governments than current economic pressures (Lo 2017a; Grove 2016a; Eurasianet 2016b).

For Russian and Chinese commentators things look rather different. Russia is not only a state that can rebound against external challenges, but is one that may be able to set real limits on the expansion of Western alliances and influence across wider Central Asia. In turn, China, with its existing diplomatic linkages and military modernization, has the benefit of an effective economy that has non-Western features, including a strategic role for the state in key industries. It offers the concept of 'co-development' as a win-win strategy for countries around the world, and has increased flows of foreign investment and aid to support this agenda (Lukin 2016, p. 100). This has led to China becoming the hub of a new global interregionalism, with PRC trade, investment and diplomacy engaging Africa, Latin America, Southeast Asia, Central Asia and increasingly the Pacific Islands. China is emerging as a major trading partner for developing economies in these regions, but is also a leading source of investment, credit lines and soft loans. Likewise, Chinese aid programmes have been increasingly mobilized in support of the PRC's foreign policy and form a major alternative for Western-based aid and development funds (Contipeli and Picciau 2015; State Council Information Office 2011). Recent trends suggest this may be further extended by limited but real cooperation with the European Union (via the High Level Strategic Dialogue) and potential cooperation in relation to Eastern Europe and the Middle East (see Chapter 7).

In particular, China has moved to deepen ties with several Middle East states during 2015–18. The China–Egypt comprehensive strategic partnership has evolved from 2014, mainly based on economic interests being expanded by BRI investment in the New Suez Canal economic

corridor. It has since developed a strong strategic potential in relation to declining US influence, balancing Egypt's re-engaged relations with Russia and the EEU, and its continued maritime significance along crucial sea lines of communication or SLOCs (Chaziza 2016; Trickett 2017a). Likewise, from January 2016 Beijing agreed to expand its cooperation with Saudi Arabia in a 'comprehensive strategic partnership', going beyond energy and arms deals (Xinhua 2016a). This pattern of regional engagement remains selective, due to security crises in Syria and Iraq, including a new wave of transnational terrorism driven by Islamic State. However, this has not undermined a pattern of increased economic and political cooperation, with China gradually edging towards a more active role in Afghanistan and Tajikistan (see further below). Recently, China has signalled some increased military cooperation with Syria, initially focused on training and humanitarian aid, plus expanded investment in the Syrian energy and telecommunication sectors (Akulov 2016). China has also sought a level of diplomatic engagement, sending its own special envoy to keep in touch with the involved parties to the conflict, hoping for an eventual government of national reconciliation (Xinhua 2017b; Luft 2016).

Several writers have emphasized a long-term pattern of cooperation between Russia and China, and even the possibility of an eventual global alignment balancing US-led global alliances (Charap et al. 2017; Lukin 2015b; Blank 2016). This alignment is based on economic, realist and prestige factors focused on Eurasian resources:

To summarize, the assumption is that status-seekers Russia and China have chosen a pond of considerable strategic energy resources – Eurasia – to push each other upward in the ranking system of states and to create an alternative to the unipolar order, an alternative that can boost their own sense of prestige and status. (Flikke 2016, p. 161)

Though this seems a logical extension of the soft-balancing agenda of China and the SCO against US influence within Eurasia, the evolution towards a formal alliance is far from certain (Lo 2017a; Clarke 2013). China has been highly critical of alliance systems as undermining international order in the Asia-Pacific, and prefers to channel relations through cooperation and friendship treaties or strategic partnerships. Modern China has invoked the terminology of 'friendship' or friendly cooperation in over 17 of its treaties, for example *The Treaty of Good-Neighborliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation* (2001) and the *China–Pakistan Treaty of Friendship, Cooperation and Good-Neighbourly*

*Relations* (2005). PRC has such agreements with Japan, North Korea, Mongolia, Yemen, Nepal, Afghanistan, the Republic of Guinea, Ghana, Tanzania, Kyrgyz Republic, Uzbekistan, Tajikistan and Kazakhstan, with such terminology usually reserved for countries in Asia, Africa and Eastern Europe rather than with the West (Devere 2014, p. 188; Lealls 2009, pp. 179–81).

Increasingly over the last two decades the flexible terminology of 'partnerships' (*Cihai*) has been deployed, with China having over 50 of these special relationships (47 with states and three with international governmental organizations by 2014), with the most recent of these with Switzerland being labelled an 'innovative strategic partnership' (Feng and Huang 2014; Xinhua 2016c). As noted by Premier Wen Jiabao, speaking of the Sino-EU comprehensive strategic partnership:

By 'comprehensive', it means that the cooperation should be all-dimensional, wide-ranging and multi-layered. It covers economic, scientific, technological, political and cultural fields, contains both bilateral and multilateral levels, and is conducted by both governments and non-governmental groups. By 'strategic', it means that the cooperation should be long-term and stable, bearing on the larger picture of China-EU relations. It transcends the differences in ideology and social system and is not subjected to the impacts of individual events that occur from time to time. By 'partnership', it means that the cooperation should be equal-footed, mutually beneficial and win-win. The two sides should base themselves on mutual respect and mutual trust, endeavour to expand converging interests and seek common ground on the major issues while shelving differences on the minor ones. (In Feng and Huang 2014, pp. 7–8)

Put simply, China has no interest in a formal military alliance with Russia, nor of forming anti-US or anti-Western blocs, though both countries are critical of the existing system of global economic governance and are preparing for a more multipolar world order (Fu 2016; Barrett 2015; Feng and Huang 2014). Until recently, Sino-Russian relations could be typified as a 'limited, defensive strategic partnership' driven by external factors including threat perceptions of a pre-emptive and unilateralist United States (Li 2007).

However, trends within Eurasia and wider Central Asia have begun to deepen the Sino-Russian relationship. Russia and China have engaged in major trade deals, for example the 2014 agreement for a \$400 billion expansion of gas exports to China via new pipelines, part of a wider Russian effort to 'pivot' to Asia due to complications in trade with the EU since 2013 (for complications in this process, see further Chapters 2 and 5). Both countries have deepened their cooperation via expanding

SCO and BRICS agendas, linking elements of their BRI and EEU projects, and engaged in major bilateral military exercises during 2014–17. In joint naval exercises in the East China Sea in 2014 there was a shift of focus from earlier ‘peace missions’ or non-traditional security threats towards ‘naval combat’ (海上作战) and ‘over the horizon’ (超视距) capabilities, viewed ‘as the most effective tactics against US carrier groups (对美国航母编队最有效的战术)’ (Goldstein 2016). Joint exercises in 2015 were undertaken in the Black Sea, and probably involved anti-submarine warfare exercises, indicating China’s ability to cooperate with Russia within NATO’s sphere of immediate interest. This was followed by July 2017 drills with the Russian Navy by a PLAN task force, including a new guided-missile air warfare destroyer and a guided-missile frigate, in the Baltic Sea, as well as a separate visit by a Chinese three-ship force to the Black Sea (Bruns and Kirchberger 2017). In August 2015 large drills were conducted in the Sea of Japan, involving surface components, submarines and aircraft, while strategic naval exercises in the South China Sea took place during September 2016 (Goldstein 2016). Overall, the pace of joint military exercises and dialogues has increased, with several ground and naval exercises of varying size each year (Weitz 2017).

Initial coordination of strategies to counter US anti-ballistic missile (ABM) capacities has continued from 2013 onward, indicating a serious effort at countering the ongoing deployment of these systems along Russian and Chinese peripheries. These exercises at the least demonstrated increased deterrence against mounting pressure from US-led alliances, lay the basis for a shared operational capacity, and from 2016 may have used joint command information systems (Bruns and Kirchberger 2017). This goes well beyond mere moral support, with China and Russia having overlapping missile and anti-missile footprints over parts of Northeast Asia and the Korean Peninsula, and improved missile capacities deployed on naval vessels (contra Lo 2017a). It is thus possible to speak of a deepening entente and comprehensive partnership, if not quite a *de facto* alliance between these countries (Wang 2017; see further Chapters 4 and 5).

Tensions with the West have meant that Russia has strong motives to continue its economic and strategic ‘pivot’ towards Asia, even though this transition is far from complete, with insufficient investment in Siberia and the Russian Far East, and Russia having a limited role in Asia-Pacific trade flows. Likewise, real differences remain in China’s and Russia’s international perspectives and their vision of how a multipolar order should function (see Chapter 4). If Russian interests are seriously taken on board as the BRI evolves, this could lead to a deeper partnership, but

this will not naturally evolve into a defined military alliance. Not only is the PRC formally opposed to rigid military alliances, but it sees Russia as one among many major states with which it wishes to engage, including Germany and France, and hopefully, a return to a more positive relationship with the United States and India (Lo 2017a; Feng and Huang 2014, p. 17). This is one of China's main rationales for the concept of 'new great power relations', even if this proposal has gained little traction to date. However, balancing and managing relations with Russia remains crucial for China's wider Eurasian and global agenda. Failure to do this could push these two Eurasian nations into a pattern of covert strategic competition driven by an increasing power imbalance in Beijing's favour.

China under Xi Jinping has been moving beyond its earlier policy of keeping a 'low profile' and 'biding its time'. This is not a matter of suddenly becoming more assertive due to internal weaknesses, but is rather a natural evolution of PRC capabilities as a widely empowered international actor. The trade, security and foreign policies of the PRC reflect a greater willingness to take the initiative and to establish rules and norms within adjacent regional groupings (Lukin 2016; Kizekova 2017). This can be seen in the formation of the SCO, the AIIB, the New Development Bank (founded via BRICS mechanisms) and the widening BRI project. In all of these China was a key founder, and a major shaper of institutional structures and policies. The PRC has played a leadership role in the implementation and funding of these relatively new organizations. OBOR itself has moved from being a grandly conceived initiative toward finding funding mechanisms, creating regulatory frameworks, and is now embedded across numerous bilateral agreements and strategic partnerships (Sheng 2017; Dong et al. 2016). Further, major infrastructure and trade-hub projects from the South China Sea to the Mediterranean are engineering an emerging set of economic, social and strategic relations that may well turn the PRC into a new kind of global power, but one also carrying a range of increased security responsibilities (Browne 2016; Ghiasy and Zhou 2017). If completed, this will position China as a leading, but not dominant, Eurasian power. However, long-term challenges and serious problems need to be faced in this transition. These include the need to cope with continuing internal problems in Xinjiang, as well as addressing a range of dilemmas that have intensified as China emerges as Eurasia's most influential state, and as the world's second strongest power in comprehensive terms (Dellios and Ferguson 2017, pp. 173–92).

## XINJIANG AND THE WEST: CHINA'S PROBLEMATIC PATH TO WIDER CENTRAL ASIA

Xinjiang can be viewed as the heart of the Eurasian landmass, through which the diverse ancient Silk Roads passed, and even as the 'pivot of Asia' (Millward 2007; Starr 2004; Lattimore 1950). For China, it represented a north-western frontier area that was replete with dangers and opportunities, both historically and in the 21st century. It is the geographical pathway to contiguous states including Kazakhstan, Kyrgyzstan, Tajikistan, Pakistan and potentially Afghanistan, and an economic gateway to wider Central Asia as a whole.<sup>3</sup> As China engaged in its 'open door' policies and sought resources abroad, its trade with Central Asia increased from \$456 million in 1998 to \$30.5 billion in 2008, and reached \$41.7 billion in 2014–15 (Owen 2016; Clarke 2013, p. 11). However, this double linkage (integration with the rest of China and a gateway to the West) provides not just opportunities but also serious contradictions for PRC's Eurasian developmental policies (Clarke 2013, pp. 1–8; Rudelson 1997, pp. 39–70).

As one of the PRC's five 'autonomous regions', the Xinjiang Uighur Autonomous Region (XUAR) is an important strategic zone, a problematic border for controlling non-traditional security threats, and a key component in China's engagement with wider Central Asia. It is an integral part of China's internal Great Western Development project (*Xibu da kaifa*), launched in 1999–2001 and folded into subsequent five-year plans. Thereafter it was linked to visions of a Eurasian Continental Bridge and the Silk Road Economic Belt (Mackerras 2015; Clarke 2016b). This was a crucial test of China's 'harmonious society' paradigm that included claims of inter-ethnic justice (Dellios and Ferguson 2013). Encompassing an extensive territory, the region faces growing ecological challenges even as its resources are being further developed. Xinjiang, which historically had been the eastern part of 'Turkestan' (a zone of Turkish cultural influence across much of Central Asia), is a test case for China's ability to deal with security threats through balanced development. Governance crises in Xinjiang are closely observed in Central Asian states, while failures to improve relations with Uighur (also transliterated as Uyghur), Kazakh, Mongol and Hui groups would continue to embarrass Beijing across a number of issues. These include China's human rights record, its claims of religious tolerance and its goals of improved development in its poor provinces and for all ethnic groups.<sup>4</sup> Developments in Xinjiang indicate how well China can cope with diverse cultures and separatist trends. Also of interest are the

demonstration effects for Tibet, Inner Mongolia and Taiwan. Likewise, international audiences both in the West and in Muslim communities as far west as Turkey have been deeply concerned about inter-communal, terrorist and state violence that has continued in the region even after the high point of the Xinjiang riots of 2009 (Mackerras 2015).

One of the great ironies of Chinese history is that defence against northern and north-western invaders has often led to a de facto expansion outwards, a trend that began as early as the need to deflect the Xiongnu, a tribal confederation that engaged in extended conflict with the Han empire from the 2nd century BCE onward. Thereafter, numerous nomad 'empires', khanates and confederations either challenged or conquered China, utilizing the resources of the west and the north. This led to the complex pattern of state formation on the steppe, alongside periods of Chinese expansiveness to control parts of Mongolia, Tibet and Turkestan – be it through direct or indirect rule. The Han, Tang, Ming and Qing experienced diverse phases and strategies in controlling these borders, which came to embrace south-western areas including Sichuan, Yunnan and parts of Tibet. This expansion and its unsettled frontiers were never fully controlled by the various Great Walls (there were more than one), even when these lines were re-fortified under the Ming. Invading tribes such as the Khitan, Jurchen, Liao, Mongol and Manchu formed their own dynasties across all or part of China, but retained connections to the north and west, creating a complex dynamic between settled China, the border zones and various 'nomadic' groups. Xinjiang and central Turkestan were strongly influenced by the last tribal confederation, the Zunghars (also transliterated as Dzungar), who from the 17th century began building a modernizing state that controlled major Eurasian trade routes linking China, India, Russia and Central Asia (Barfield 1992). From the mid-19th century this was followed by an expanding Russian influence from the west and British power projection from the south-west that wanted Tibet and Afghanistan as buffer zones. Indeed, the Qing dynasty was determined to crush the Zunghars because of the fear that they would form an alliance with Russia and then erode Qing influence in Tibet, East Turkestan and Mongolia (Barfield 1992, pp. 277–96).

The Qing dynasty took direct control of Xinjiang from 1750, interrupted by the Hui and Uighur rebellion of 1864 and the following rule of Ya'qub Beg from 1865 to 1871. The Qing resecured control in 1876–78 but decided that indirect governance was insufficient. It turned Xinjiang into a directly administered province from 1884, using the *junxian* system with the emplacement of Chinese officials, support for Han inward migration, and provision of Chinese schools (Millward 2007,

pp. 132–46). In spite of some early progress, Xinjiang's transformation foundered under a lack of funding, conflict among emerging war lords, separate Russian and Chinese Nationalist (GMD) interests, as well as diverse local needs that descended into the multi-sided conflict in the 1930s. Widespread discontent, including Turkish, Uighur and reformist Islamic aspirations (influenced by the Jadid educational movement operating across Central Asia), expressed itself through modernizing forms of nationalism. This led to the declaration of the Republic of East Turkestan in Kashgar, operating in 1933–34, with a partial revival and Soviet support from 1944 to 1949 (Millward 2007, pp. 169–231). These three rebellions gave the historical impetus to the idea of an East Turkestan independent from either Chinese or Russian suzerainty, an idea whose history remains highly politicized and contested (Hillman and Tuttle 2016).

All these factors came into play in the politics of modern Xinjiang, a name literally meaning 'new frontier' but with implications of a territory only recently pacified (Millward 2007, p. 152; *China Story* 2012). The very use of this name has been debated, since it implies that the territory was recently acquired by China, rather than being within the sphere of Chinese influence since the Han period (Starr 2004, p. 6). Chinese control of the region was reasserted after 1949, when the People's Liberation Army (PLA) First Field Army marched into Xinjiang, meeting limited armed resistance (especially in Kazakh areas) and counter-revolutionary 'riots' through 1956, but with the Chinese Communist Party (CCP) rapidly gaining control of the entire territory (Millward 2007, pp. 237–8). The nexus between development and secure control of this territory can be seen in the creation of one of Xinjiang's most enduring institutions, the Production-Construction Military Corps, otherwise known as the *Bingtuan*. Based around demobilized soldiers (initially 103 000), migrants and dislocated youth recruited from the east (especially Shanghai), this militia had a role in protecting the border, but also in farming, construction, mining and industrial development, with the conglomerate controlling some 100 firms engaged in exports through the mid-1990s (Millward 2007, pp. 251–91). Numbers have grown to 2.6 million personnel, involving 175 state farms, 517 units involved in transportation and construction, and 1400 commercial enterprises, as well as colleges and technical schools (Zhu and Blachford 2016). It has an ongoing brief to ensure control not just of the western border but the wider territory of Xinjiang itself:

So Bingtuan's 74,000 km<sup>2</sup> administrative area is largely along the above-mentioned edge areas of deserts and mountains, as well as geographical

borderlands, rather than typical oasis areas in Xinjiang. This principle remains in place for Bingtuan's current operation and this has been one of the strategies used with the intention of avoiding intermingling and conflict with local ethnic groups. In recent years, Bingtuan began to build up 'ecologically sound economic networks of Oasis, with contiguous fields, crisscrossing canals, ubiquitous forest belts and radiating roads'. In fact, the geopolitical importance of Bingtuan's administrated areas is that Bingtuan actually created a territorial fragmentation in Xinjiang, meaning that ethnic minority populated areas and Bingtuan-controlled areas are interlinked but not integrated. Therefore, Bingtuan set up a critical control element in territorial governance, making the large areas exclusively controlled by ethnic minorities more fragmented. This makes Xinjiang more 'the frontier of settlement' rather than a 'frontier of control', and also indicates Bingtuan's potential spatial expansion in Xinjiang. (Zhu and Blachford 2016, pp. 35–6)

The development of autonomy (*zizhi*) as a concept for managing ethnically diverse areas in China has a complex history, partly based on the need to recognize the special needs of these groups but to avoid any route towards either a federalized system or towards true independence (He 2015; Zhu and Blachford 2006). Xinjiang Uighur Autonomous Region was created in 1955, but has only limited policies favouring local culture. There is inadequate support for the presence of diverse nationalities in local administration and their induction into provincial cadres. Local languages are only partially used in publishing and education. In contrast, Chinese soon came to dominate most official and education forums, even when presented as part of a bilingual strategy to aid the advancement of locals in higher education and employment (Millward 2007, pp. 242–5 and 343–6; Dwyer 2005; Zhou 1992).

The largest 'indigenous' ethnic group in Xinjiang are the Uighurs, though this itself is an umbrella term covering eight modern subgroups with only partial linkages to the ancient Uighur empire (and later related groups) that supported the Tang dynasty down past 840 CE (Rudelson and Jankowiak 2004, pp. 302; Millward and Perdue 2004, pp. 40–42; Millward 2007, pp. 42–53). Indeed, a pan-Uighur identity was strengthened in the late 19th century as a reaction to the increasing Chinese and Han presence (Starr 2004). Modern Uighurs comprise some 46.4 per cent of Xinjiang's population, compared to 39 per cent Han, 7 per cent Kazakh, 4.5 per cent Hui ('Sinic Muslim'), plus smaller groups including Mongolians and Russians, based on 2010 Census figures (Mackerras 2015; *China Story* 2012). Xinjiang is home to a growing population of Han Chinese, who in 1945 only comprised 6–7 per cent of the population, with internal migration at first supported by government policies; now they are driven largely by economic factors as Han migrants from

poorer central provinces take up positions in the cities or in the energy sector of Xinjiang (Howell and Fan 2011; Starr 2004, p. 17). Uighurs tend to be found in agriculture, government jobs, retail, professional and in self-employed positions (Wu and Song 2014). The GDP per capita for the region is above poorer inland provinces, but still somewhat below the national average and well below richer coast provinces, for example less than two-thirds that of Shandong in 2015 (DB-Research 2016a and 2016b; Starr 2004, p. 3). The wealth gap between Han and Uighur groups is small on average, but accounts suggest continued discrimination and economic marginalization of the Uighur, with Han often securing better paid jobs, while in turn Han groups have protested against preferential policies for ethnic minorities.<sup>5</sup>

Tension between Han and Uighur groups, which government pro-harmony campaigns have failed to resolve, are politically and culturally based. Past Uighur cooperation with Russia and Soviet efforts to gain leverage on the region may have led to exaggerated suspicion of Uighur groups (Shichor 2015; Millward 2007, pp. 256–7 and 272–4). Ironically, central policies have politicized ethnicity at the same time as trying to enforce ethnic harmony, while security pressures have intensified as a response to political dissent, fear of religion as a source of resistance, and concerns over links to transnational terrorist networks. These concerns have come to the fore again since 2001, though independence groups such as ETIM (the East Turkestan Islamic Movement) should not be thought of as an integrated organization. Indeed, the successor group, the Turkestan Islamic Party, operating since 2006, may have been more operationally effective, with links to the Taliban in Pakistan and the IMU elements operating near the Af-Pak border (Clarke 2016b). Resistance has been dispersed across a range of groups and employed diverse means, including terrorist attacks, political murders, cultural dissent and local public protests (Mackerras 2015; *China Story* 2012; Millward 2007, pp. 337–41). Recent 'strike hard' campaigns and greater restrictions on worship and public religious affiliation may be a logical response to the 900 related deaths in Xinjiang during 2007–14, as well as terrorist attacks in Yunnan and Beijing; but such policies do not offer a long-term solution to local dissent (Collins 2015; Clarke 2016b). Rather, they are likely to lead to greater alienation of Muslims, not just in Xinjiang but across the country. The dilemma for China has been to support cultural diversity but to de-politicize the identity politics of these groups, especially those with transnational links. This has achieved only partial success through the central role of the SCO in managing separatism, extremism and terrorism (see further Chapter 2). Demands for increased

'indigenous' rights, for 'high autonomy' and independence remain serious challenges in both Xinjiang and Tibet.

Mainstream Chinese have their own imagining of a 'wild west'. It is replete with deserts, forts, demobilized soldiers, bandits, foreign traders, hostile uprisings, diverse religions and ethnic groups, rampant terrorism, international intrigue and legends of warriors and heroes, themes reflected and re-imaged in Chinese novels and film. These images and stereotypes go beyond cautious government policies of a 'multi-ethnic' China and are far from harmless, especially when combined with internet and social media images of current inter-communal violence. In turn, Uighur and other groups have used dance, music, literature, film and theatre to provide a counter-narrative that has begun to reach international audiences. This has been facilitated through the internet but also via international film festivals, documentaries and external protest groups. The politics of cultural markers, language scripts, ethnic designations and educational priorities have come into play in this internationalized debate (Dwyer 2005; Millward 2007, pp. 236–7). Uighur have long used their distinctive musical, dance and acrobatic heritage (called *Dawaz*) as identity markers. Social clubs called *mashrap* involve music, comedy and recitation, but their 'nationalist' content led to them being suppressed by Chinese authorities in the 1990s (Millward 2007, pp. 329–30 and 366–70). This trend continued among modern middle class and youth groups. It took the form of traditional *muqam* (stories and poems set to music), as well as pop music (in both Uighur and to a lesser extent Chinese). In addition, hip hop, rap and heavy metal are active today, carrying a range of critical sentiments (Holdstock 2015). Western commentators, however, need to avoid excessive romanticization of the 'under-dog' and valorization of protest and resistance groups: the conflict in Xinjiang has involved serious inter-communal riots as well as targeted, politically motivated violence that have led to both Uighur and Han casualties.

The linkage of Xinjiang westward to the Silk Road Economic Belt and eastward onto the rest of China via the Great Western Development project explains only part of its economic significance. The region itself has large gas resources (23.3 per cent of China's onshore gas resources), with existing eastward national pipelines (especially the gas lines to Shanghai) making later Central-Asia-PRC energy networks much more feasible. Xinjiang has oil (21.5 per cent of national resources), coal (38 per cent), mineral resources (including uranium, gold, copper, nickel, lead, zinc) and continued agricultural productivity, though this has caused increasing pressure on water and soil resources (Atli 2016; Scull 2011). Cotton, in particular, is a water intensive crop, and over-use of upstream

and artesian water has led to the destruction of natural habitats, ongoing soil erosion and desertification, a problem shared across much of Central Asia. Available surface and ground water in Xinjiang has declined by about 30 per cent in 2010–14, with concerns that climate change will continue to reduce glacial melt flows from the Kunlun and Tian Shan Mountains through to 2050 (NBS 2016; Millward 2007, p. 318). Massive dust storms and air pollution are also major problems, with clouds blowing as far east as Beijing. This occurs in spite of reforestation and conservation efforts, including the 'Great Green Wall' being planted across northern China. Xinjiang's population, especially the Uighurs, have a range of serious health problems including respiratory and heart disease, cancer, alcohol and drug use, and the spread of AIDS; many of these are linked to environmental risks and social disaffection (Ekpar 2015, pp. 184–92, p. 277; Dautcher 2004).

Xinjiang has also become an emerging centre for refineries and petrochemical production, as well as hosting some of China's strategic petroleum reserves (Meidan et al. 2015; Clarke 2013, pp. 8–9). Likewise, the region has high solar and wind-power potential (in the north and east), along with more limited hydro-power capacities, though these have yet to be fully exploited. Instead, there has been continued and rising use of coal for electrical power production. This is in spite of PRC's national coal abatement and gas-usage targets. Additionally, energy inefficiency, limited grids to transmit electrical power out of Xinjiang and environmental damage are ongoing problems (Duan et al. 2016). Thus, Xinjiang has a strong role in supporting China's economy and its political security:

Apparently, Xinjiang's economic structure fits the picture of the periphery, of which the main function is to provide the core with energy supplies and raw materials. This is precisely why the Chinese government focuses on the economic development of the region. A developed and stable Xinjiang is one of the keys of ensuring China's economic security in the long term. Beijing cannot take the risk of instability in a region, which produces its energy supplies and cotton, serves as a major foreign trade hub ... . (Atli 2016)

Within Xinjiang itself, Urumqi is an important transport hub linked into BRI networks with two special development zones, while cities such as Horgos and Kashgar (now a special economic zone) have become internationalized markets, with 'dry ports' such as Khorgos being developed on the border with Kazakhstan (Hancock 2017; Mackerras 2015; Ellis 2015; Millward 2007, pp. 289–92).

Connectivity through Xinjiang onto wider Central Asia includes major road, rail and pipeline routes, as well as land-ports and hubs that will become increasingly important as BRI investment grows. Major road and

truck routes include the highway that goes to Almaty in Kazakhstan, the Karakorum Highway south-west to Pakistan, and smaller roads that pass into Kyrgyzstan and Tajikistan. Railroads connect Urumqi with Almaty (considered the first part of the Eurasian Continental Rail Bridge), with new lines being planned that would go through Tajikistan, Afghanistan, Uzbekistan and possibly Kyrgyzstan (Hashimova 2017; Makhmudov 2014; Clarke 2013; Millward 2007). At the same time, a high-speed rail line links Urumqi with Lanzhou (Gansu), with further fast links to eastern lines underway. Indeed, three major development corridors planned under BRI will pass through Xinjiang, including the northern corridor heading towards Russia, the southern corridor linking onto Pakistan, and a central corridor passing on to Uzbekistan and Iran, with routes to Pakistan and Uzbekistan including rail links (Cui 2014). The Central Asia–China gas network runs westward to Kazakhstan, Uzbekistan and Turkmenistan, with a more northern oil line running through Kazakhstan. However, there have been serious delays in the new Line D that would have allowed Turkmenistan's gas to transit Uzbekistan, Tajikistan and Kyrgyzstan, with reports in 2017 that the fourth line might be put on hold, at least until demand increases (Lelyveld 2017; Farchy and Kinge 2016; Michel 2016).

New digital links along these corridors will boost communication, educational and e-commerce opportunities, with a large number of Chinese companies already involved including Huawei, ZTE and diverse telecom companies (Brown 2017). Likewise, the Xinjiang regional government itself has sought to capitalise on its location, supporting the 'look west' policy to act as a bridgehead for boosting trade into Central and West Asia towards Europe: this involves over 17 major ports of entry, 30 international air routes, 105 roads, plans for 21 logistic hubs and the possibility of Xinjiang becoming part of a Central Asian Economic Circle operating in conjunction with BRI corridors (Li Mingjiang 2016).

This enhanced connectivity, in turn, allows diversified transnational flows to link Xinjiang into Eurasian and world affairs. Diaspora groups such as the World Uighur Congress (WUC) have formed critical lobby groups overseas in the US, Germany and Australia, while China used extradition agreements against dissidents in nearby states such as Kazakhstan, Kyrgyzstan and with Tajikistan in 2015 (Mackerras 2015; Putz 2015; Starr 2004). Even if political violence is largely driven by domestic issues, some Uighurs have received training in Pakistan, and China fears new networks of transnational terrorism driven by instability in Iraq and Syria, alongside unfinished transitions in Afghanistan and Tajikistan. Current efforts by Islamic State to gain footholds in Afghanistan, even if it has to fight the Taliban to do so, are indications of these

new challenges. In July 2014 Islamic State (IS) leader Abu Bakr al-Baghdadi included China in his list of states where Muslims have been repressed, even if IS's operational capacity remains limited there (Mackerras 2015). Various numbers (100–300) have been cited for Uighurs being actively recruited and trained by IS through 2013–16 (Rosenblatt 2016; Tomkiw 2016). Likewise, the influence of Pakistani traders, religious and militant groups has been noted since the 1990s, a trend likely to intensify as trade flows along BRI routes deepen (Warikoo 2016; Starr 2004). Flows of illicit goods are also a major challenge alongside globalization and regionalization in recent decades, emerging as a multi-billion dollar challenge for developing states in the Asia-Pacific and wider Central Asia (UNODC 2013 and 2016b). These trends point to a central contradiction that Chinese authorities are struggling to manage. While the PRC's territorial and sovereign control of Xinjiang is secure, this is insufficient for human security and wider developmental needs. By integrating Xinjiang both internally to the rest of China and externally to neighbouring states, this has opened the door to historical cultural links and to a new pattern of internationalization that may be impossible to control via central planning, security clampdowns and government subsidies (Clarke 2013).

Prosperity, if truly inclusive and shared across ethnic groups, could be a partial answer to reducing tensions in Xinjiang. Commentators such as Kaplan have suggested that economic development leveraged from the Silk Road might well reduce Uighur separatism, but also that 'if such immense projects falter because of China's own slowing economy, separatism could explode into greater violence' (Kaplan 2016). The reality, as we have seen, is more complex, based as much on new narratives of identity formation, mixed policy objectives, and inter-community perceptions as on economic outcomes. This means that inclusive economic development is a necessary but insufficient solution to Xinjiang's current challenges. The problem for China is that its wider national development and Eurasian integrative strategies (including security, economic and energy factors) are hinged across western zones of China with enormous ethnic diversity, evolving transnational linkages, and challenged strategic borders (Mackerras 2015; Clarke 2013). Wider Central Asia shares many of the developmental and environmental challenges found in Xinjiang. Likewise, as Xinjiang has become even more important as a key hub for BRI and the success of the 'China Dream', it has drawn an increasing security focus but few new solutions to existing ethnic, environmental and human security concerns (Hayes 2015). This has serious implications for both China and Russia, as well as for Eurasia's regional development.

## CHINA'S STRATEGIC CHOICES AND EURASIAN DILEMMAS

The factors discussed above represent some of the problems faced by China in Xinjiang. Beyond this, however, China, as a state and a set of communities, is facing a set of challenges at the domestic, regional, Eurasian and global levels that can be described as dilemmas. 'Dilemma' is not used here in the strict, logical sense, where one is forced to choose between equally negative paths or outcomes, nor just in relation to traditional security dilemmas. Rather, China's dilemmas emerge from situations where clear choices are undermined by incompatible trade-offs, unintended outcomes that are hard to predict, social, psychological and political restraints on rational decision-making and policy optimization, and cross-impacts across different domains of activity (Tang 2009; Starr 2004, pp. 19–20).

From China's point of view, a range of linked dilemmas have emerged that can be summarized along several major axes. First, China still feels the need to expand its Comprehensive National Power (CNP), measured across military, economic and soft power domains, without increasing international threat perceptions (for the PRC's use of CNP, see Ferguson and Dellios 2017, pp. 173–200). This means that it needs to sustain and stabilize inclusive growth even as China's economy moves from its role as a mass manufacturing hub towards a mixed service and consumer-based economy. This is presented by the CCP as the 'new normal' domestically and 'going out' in global terms, a policy which was reiterated in the late 1990s, extending Deng Xiaoping's first 'reform and opening-up' period. However, neither slogan indicates the scale of transition required to become a truly diversified, globalized and knowledge-based economy in the 21st century (Le Corre and Sepulchre 2016). This includes an internationalization of Chinese firms and manufacturing that still has a long way to go: 'For more than fifteen years, Chinese SOEs have been subject to the imperatives of surviving the competition and turning a profit, with the principal objective of creating (thirty-some) national and international industry leaders capable of rivaling the best in the world' (Le Corre and Sepulchre 2016, p. 80).

A central dilemma is how to transition into an open, modernizing economy without a cross-over period of social turmoil and without losing the leadership monopoly of the CCP (Liao 2016; Dibb and Lee 2014). This has been further complicated by the need to further internationalize small and medium-sized enterprises that remain a major component within the domestic Chinese economy, generating around 58–65 per cent

of GDP and 80–82 per cent of employment (Lo 2017a; Hoffman 2017). This trajectory requires a 'permissive' international environment even as the PRC moves into being the world's second most powerful state (in comprehensive terms), the world's largest economy (in PPP measurements), ranked third in terms of overseas diplomatic representation, and militarily the third most powerful nation, coming in after the US and Russia (Bender 2016; Karlin 2015; Lowy Institute 2016).

China also needs to continue the transition toward becoming a mid-level developed state, reflected in GDP per capita and the Human Development Index (HDI) estimates, while undergoing a demographic transition towards an aging population. One of the main aims of CCP has been to maintain a 'harmonious society', avoiding the recreation of class and income differentiation. This has been difficult to sustain, with worrying trends emerging in the dynamic and modernizing economy. China's Gini coefficient, indicating inequality of income distribution, had dropped from a peak of 0.491 in 2008 to 0.462 points in 2015, indicating some improvement in this area (Statistica 2016). However, this is somewhat higher than the US, while the World Bank considers figures above 0.40 as indicating serious income inequality (Wildau and Mitchell 2016). This explains the expanded emphasis on inclusive growth (*gong-xiang fazhan*) across the 12th and 13th Five-Year Plans, with ongoing efforts to alleviate poverty, raise minimum wages, improve healthcare and housing affordability, improve pensions, and promote educational opportunities (Koleski 2017). As part of the 'China Dream', Beijing has mandated that by the 'two centenaries' certain goals should be achieved: by 2021, the centenary of the CCP's establishment, China should meet the target of 'constructing a moderately prosperous society'; by the PRC's centenary in 2049, China should have developed into a 'modernized socialist country that is rich, strong, democratic, civilized and harmonious' (Lam 2013).

At the same time, China needs to transform its energy profile and environmental costs to avoid irreversible ecological damage that will undermine future economic and societal stability. This has been increasingly embedded in China's recent Five-Year Plans, with the PRC aiming to become the core of an eco-civilization that can move towards genuine sustainability (Yuan 2017; Xinhua 2015; Climate Group 2014; Hu 2012). However, ongoing environmental and health costs are still having a serious impact on long-term growth, in spite of massive investment in energy renewables and an effort to shift towards a 'greener' economic base and proactive approach towards climate change (Albert and Xu 2016; Tiezzi 2015; Gare 2012). Nor is it certain that this 'green growth' approach, with binding national targets, can be comprehensively applied

to BRI projects as a whole, irrespective of initial efforts to factor in environmental concerns (Tracy et al. 2017; Koleski 2017; NASCC 2015).

At the global level, China is preparing for the evolution of a working multilateral global system (functional multipolarity), since it views the re-emergence of a competitive bipolar world as extremely dangerous. Likewise, the CCP views the idea of China assuming a hegemonic superpower status as costly, ideologically unpalatable, and unsustainable under the current conditions of globalization (for these debates see Lo 2017a; Zhang 2015; Xu and Du 2015). This is not to deny China's continued emergence as 'a leading global power by 2050', as Xi Jinping stated at the 19th Party Congress held in 2017, but any G2 system would need to be moderated by further power diffusion and multilateral cooperation to avoid conflict. At the least, China is seeking to redefine new and positive great power relations with several partners in order to reduce the drift toward bipolar competition in which China and the US could become the main protagonists (see Ferguson and Dellios 2017, pp. 186–92).

All of these factors shape China's engagement in the multiple aspects of the Eurasian process, with China increasingly needing to lead regional transitions and shape key partnerships. Within Eurasia, these 'dilemmas' include:

1. China needs to chart a path towards regional cooperation, policy convergence and inclusive growth that draws in a wide range of players. This requires the support of regional great powers (including Russia and India) and 'middle powers' (Turkey, Iran and Kazakhstan), without intensifying competition and new threat perceptions. Eurasia's divergent civilizations, competing empires and Cold War divisions have left it a fracture zone of borders, frontiers and underdeveloped zones (Cohen 2005; Lo 2015). Peacefully transforming this huge mega-region is a masterclass in statecraft and has not been peacefully achieved by any state or empire to date.
2. Movement towards cooperation and policy convergence has begun to some degree through the SCO and parallel dialogue processes in which China has a major role, for example CICA, the Heart of Asia dialogue and several Asian multitrack forums. However, the SCO is only now becoming more seriously institutionalized, and still lacks the policy convergence of a grouping such as the EU in the 1990s or the deep military coordination of NATO. Likewise, the SCO suffers from gaps in terms of Eurasian inclusiveness (limited roles for Afghanistan, Ukraine, Turkey and Mongolia), and needs to

begin stronger dialogues with the EU and Ukraine to manage wider Eurasian processes (see further Chapter 2). Afghanistan's instability remains at the heart of a range of non-traditional security challenges operating at a transnational level, imposing strong challenges for the PRC's regional security policy that go beyond the 'win-win' dynamic of shared economic development (Clarke 2016a and 2016b; see further Chapter 3).

3. China needs to engage creatively, and eventually co-shape, Russia's security and economic roles in Eurasia, without drifting into an entangling formal alliance (for the possibility of such a drift, see Carlson 2016). Engaging in costly and risk-prone hard balancing against the US and its allies (including NATO) would benefit Russia but would undermine China's wider foreign policy goals (see further Chapter 5).
4. China needs to engage multi-civilizational, multi-religious and multi-ethnic perspectives when dealing with the complex cultural tapestry of Eurasia. Though Beijing and Moscow have formally adopted a multi-civilizational approach in their foreign policies, their imperial legacies, heavy state security apparatuses and uneven implementation of ethnic policies have left them with a marred track record in several areas. This is much more than countering transnational Islamic 'militancy' across the borders of Xinjiang (see above). Legitimacy in this area is crucial if China seeks to become a problem-solver and peace-maker in wider Central Asia, and to sustain more calibrated policies toward Afghanistan and South Asia (see Chapter 3).
5. Achievement of goals 1 to 4 will require a relatively successful BRI implementation that not only allows China's economic transition, but truly benefits partners across Eurasia in an equitable and predictable fashion. The mega-project will need to show initial benefits over the current decade and further evolve over the next 10–35 years to deal with a range of environmental, developmental, security and human rights issues that will arise as investment, connectivity and increased trade transforms dozens of societies and states (see further Chapter 6).

BRI is an evolving, public-private pattern of development whose outcomes are difficult to predict. Bearing in mind the current trend of capital flight overseas from the PRC (\$140 billion in 2014 and peaking at \$725 billion in 2016), growing total debt (rising from 160 per cent of GDP in 2007 to 304 per cent in May 2017), and the gradual reduction of China's foreign capital reserves, China has a limited timeframe in which these

Silk Road investments need to bear fruit (Dargnat 2016; Le Corre and Sepulchre 2016; Reuters 2017a; Amaro 2017). The outlined transition phase needs to be well underway in the coming 5–10-year period if it is not to stall, leading to serious blowback onto the PRC's economy and its foreign policy objectives. Sluggish growth would also undermine progress on many of the targets in the 13th Five-Year Plan (2015–20), increase social tensions and undermine confidence in Xi's 'China Dream' agenda. From this point of view the massive state support for BRI is a calculated gamble. Either marginal performance or large-scale failures of particular projects or corridors would mean that BRI could not act as the new 'engine' for China's economy and its regional ambitions. The global implications of such failures are also worth considering:

If Xi's project fails, we can expect an economic and geopolitical Chinese withdrawal, something that would be extremely dangerous both for China and the rest of the world. International trade and world GDP would contract, the volatility of financial markets would increase and international relations would become tense. It would mark the end of the last quarter-century of globalisation. The result would be a new cycle, probably characterised by less international cooperation and global economic benefit than its predecessor. (Dargnat 2016, p. 74)

Furthermore, though BRI-related agencies such as the AIIB have begun to outline developmental and environmental norms for the Silk Roads, there is still an 'ideational' gap within BRI if it seeks to be a truly collaborative framework for Eurasian development and human security more widely conceived (Dellios 2017; Ferguson and Dellios 2017; Tracy et al. 2017).

These dilemmas are related to wider patterns in Eurasia affairs. In geopolitical terms, imperial states that have controlled much of the Eurasian 'heartland' (Russia and then the USSR) were challenged and contained by 'rimland' naval powers such as Britain and the US. Before this, Eurasia had only seen a partial, short-term political integration during one phase of the Mongol Empire (in the 13th century), and no more than a loose civilizational integration under Turkic and Islamic influences that was limited by Western, Orthodox and Chinese powers. No single empire or political system has laid the societal basis for convergent cultural values, normative multilateralism or shared identity interests. Nor has an 'undemocratic security community' emerged based on authoritarian political regimes, though some of these features have been ascribed to both the CSTO and SCO (Kropatcheva 2016, p. 1529). The resulting cultural, political and ethnic diversity has made current efforts at Eurasian regionalization shallow and fragmented, with no one

of the great powers being the 'natural' leader of the system of states that re-emerged after the early 1990s. With this in mind we can see that though the PRC needs to lead Eurasian processes and mechanisms, this has been challenged by competing state interests and debates on China's cultural and political legitimacy. In the next chapter we can see some of these limitations by examining two different organizations that have evolved to deal with Eurasian security challenges.

## NOTES

1. The term 'New Silk Road (NSR)' is sometimes used for this general project, but risks conflation between US and Chinese conceptions. Later versions of the US's NSR focused on north-south integration as a means to link Central Asia and Afghanistan to the dynamic economies of South Asia (Clarke 2016a). For the GCAP proposal, see Clarke (2013); Starr (2004 and 2008). For China inadvertently becoming a Eurasia great power, see Mackerras (2015).
2. Formally Kyrgyzstan is called the Kyrgyz Republic.
3. Wider Central Asia refers to transnational flows that link not just the 'stans', but other adjacent states and regions including parts of Mongolia, Siberia and Xinjiang. This usage is to be distinguished from the more politically oriented Greater Central Asia idea proposed by Starr as a means to link Central and South Asia as a viable region for enhanced US influence (Clarke 2013, pp. 1-2; Starr 2004 and 2008).
4. See the claims made in the *PRC National Human Rights Action Plan 2012-2015*, reiterated in Premier Li Keqiang's *Report on the Work of Government* to the 12th National People's Congress in March 2016.
5. Wu and Song (2014); Howell and Fan (2011) argue for a limited gap, versus Holdstock (2015); Millward (2007, pp. 304-5); *China Story* (2012).