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### Central Asia: A Testing Ground for New Great-Power Relations

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# Central Asia: A Testing Ground for New Great-Power Relations

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**[Abstract]** The report argues that the strategic cooperation against terrorism between the USA and Russia following 9/11 has gradually been replaced by a strategic convergence between China and Russia around security and economic priorities in Central-Asia. This convergence is visible in an institutionalised cooperation between China and Russia in the Shanghai Cooperation Organization (SCO), which also facilitates cooperation between these powers and the Central-Asian states. The authors question the viability of this new 'multilateralism', however. Both China and Russia have economic and security interests in the regions, and although their joining hands might challenge US interests, their capacity for shared sovereignty is low. Russia focuses primarily on regaining security influence, while Chinese economic and energy interests are not compatible with Russia's.

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## Introduction

Following the tragic 9/11 events in the USA, a new strategic partnership developed between Russia and the USA. Confronted with a common enemy – international terrorism – the Kremlin and Washington launched new and unprecedented cooperation. Especially Moscow's willingness to allow the USA into its former backyard, Central Asia, in connection with the war in Afghanistan was taken as an indication that Russia had finally opted for partnership with the West. Today, however, few would bet on this optimistic scenario, and developments on the ground in Central Asia testify to the deterioration in cooperation and relations between Russia and the USA.

At the same time, despite a very difficult relationship historically, China and Russia have been drawing closer. The two countries started to build a 'strategic partnership' already in 1996, but rapprochement really picked up speed from 2004, when the two governments agreed on enhancing cooperation. In Central Asia, improved relations have manifested themselves first and foremost in developments within the Shanghai Cooperation Organization (SCO), which is increasingly viewed as a new-style multilateral alliance between the regional powers Russia and China.<sup>2</sup>

Underlying this shift is not only the realization that Russia and the USA do not share interests to the extent imagined back in 2001<sup>3</sup> whereas China and Russia actually share an interest in opposing the USA. The shift is also grounded in a growing normative divergence between Russia and the USA and an emerging normative convergence between Russia and China, visible in their political and economic structures. In Central Asia, here seen as a testing field for great-power relations, both Russia and China clearly have a 'normative advantage' over the USA, because the Central Asian regimes have been developing according to political and economic models closer to those of Russia and China.

Despite the growing normative affinity and the easy fit with Central Asian regimes, developments and tangible cooperation in Central Asia might also reveal limits to the new Moscow–Beijing partnership. New and old conflicting real political interests could overshadow the power of common interests and the new normative convergence in the long run. Moreover, the nature of this normative convergence (authoritarian, statist, yet market-oriented government, and an emphasis on state sovereignty and non-interference in foreign policy) might prove to be a problematic foundation for cooperation and constructive interaction.

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<sup>2</sup> The literature on the SCO is emerging as the organization itself gains in significance. For two recent reports, see Ingmar Oldberg, 'The Shanghai Cooperation Organisation: Power House or Paper Tiger', *FOI Report* (Swedish Defence Analysis Institute), June 2007, and Alyson Bailes, Pál Dunay, Pan Guang & Mikhail Troitskiy, 'The Shanghai Cooperation Organization', *SIPRI Policy Paper*, no. 17, May 2007.

<sup>3</sup> We have earlier scrutinized the effect of the US war on terrorism on Russia's security priorities, and argued that the 'Bush doctrine' has served as a template for Russian security policies. See Julie Wilhelmsen and Geir Flikke, 'Evidence of Russia's Bush Doctrine in the CIS', *European Security*, vol. 14, no. 3, 2005, pp. 387–417.

The objective of this report is, first, to trace if and how Russia and China together have managed to displace the USA in Central Asia in the period following 9/11, with special focus on the last three years; and, secondly, to uncover the prospects and limits of a new Russian–Chinese partnership by scrutinizing their interplay in Central Asia in the security and economic spheres.

Arguably, for both Russia and China cooperation in Central Asia marks a first attempt to develop a partnership-based relationship into a deeper mutual commitment. The SCO is seen as a more substantial basis for long-term cooperation between Russia and China, and this is China's first attempt at inaugurating an international grouping. Central Asia is also in many ways the easiest arena for China and Russia to cooperate. It is located at a safe distance from the Far East and Siberia, where Russia has strong concerns about the influx and influence of Chinese across the border and the general dominance of China at the expense of Russia. China's North-Western provinces that border on Kazakhstan, Kyrgyzstan and Tajikistan also represent a serious political and ethnic problem for China. The Uighurs, who comprise 45% of the population in Xinjiang, have a history of resistance to China, and separatism is a real threat. Russia for its part has concerns about the Russian population in Kazakhstan and its interests in Central Asia: however, this is not Russia proper, but more a traditional 'sphere of influence', so the risks of cooperation may not seem so high. Central Asia is also the region where Russia and China most clearly have had a common interest in countering US influence and where the increasing Russian–Chinese normative convergence has been mirrored by developments in the Central Asian regimes. Finally, all the Central Asian states have been looking for an outside partner to serve as the region's security provider and manager. The 1990s vividly proved that they cannot manage on their own, and infighting amongst the Central Asian states has hampered their independent integration.

In the following we start by assuming that the growing strategic and normative convergence between Russia and China on the one hand and the growing strategic and normative divergence between Russia and the USA on the other seem to bode well for Chinese–Russian cooperation in Central Asia, at the expense of US influence.<sup>4</sup> This development will be traced over time. Additionally, we wish to probe and question the strength of the future Chinese–Russian partnership, where we can see two main challenges:

- Firstly, disputes over conflicting real interests in Central Asia between Russia and China might undermine the strategic and normative partnership. Given the heavy security and economic

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<sup>4</sup> Menon defines strategic convergence as involving multifaceted cooperation and a convergence of views and interests on important questions of international security. It is sustained not by trust and goodwill but by calculated self-interest and a desire for leverage vis-à-vis third parties, especially the United States. Rajan Menon, 'The strategic convergence between Russia and China', *Survival*, vol. 39, no. 2, Summer 1997, p.101.

interests of both countries in this area, China's growing power and Russia's view of itself as a regional hegemonic power, interaction in Central Asia provides a good litmus test. To what extent could colliding interests jeopardize the new partnership, if the common interest in fighting Islamic Radicalism and opposing US influence that currently underpins the strategic partnership should disappear?

- Secondly, the nature of the Chinese–Russian normative convergence might negatively influence their way of dealing with challenges and their interaction with each other. Do foreign policies that focus on the principle of non-intervention and the sanctity of internal affairs facilitate open cooperation and interstate trust? Is multilateral interaction in institutions possible in such a setting? Are politically authoritarian regimes that emphasize nationalism capable of building strong partnerships?

We start by outlining US–Russian divergence and Chinese–Russian convergence on the more general level as a background and then briefly outline the positions of and interplay between these powers in Central Asia in the years between 2001 and 2004, before we move on to trace how the new partnership between Russian and China has been played out in Central Asia since 2004. Key questions will be whether the USA really has lost its influence in the region as a consequence of common Russian–Chinese efforts to achieve this new convergence, and if there is any substance to the Russian–Chinese partnership apart from a shared interest in opposing US influence. To answer this latter question we will look at positions, interests and modes of interaction both within the SCO and bilaterally.

### **US–Russian Relations: Emerging Divergence**

Throughout the 1990s US–Russian relations wavered between great expectations about Russia joining the West and increasing apprehensions about Russia's inability to do so. After a short-lived 'Westernizer' period, Moscow started from 1996 and onwards to cultivate multi-polarity as a world order, prescribing Russia's place in this world order to that of being a world in itself in search of new allies. Multi-polarity was all about balancing US hegemony, but it also involved factors of normative convergence with like-minded states.<sup>5</sup> As the founding father of this approach, Yevgeniy Primakov, stated, a multi-polar order would be more 'democratic', allowing Russia to 'attain an optimal place in the formation of international relations' based on 'equality' (*ravnopravie*), and to work along several vectors, 'the USA, China, EU, Japan, India, Middle East, Latin America, and Africa'.<sup>6</sup>

<sup>5</sup> Thomas Ambrosio, 'Russia's Quest for Multipolarity: A Response to US Foreign Policy in the Post-Cold War Era', *European Security*, vol. 10, no. 1, 2001.

<sup>6</sup> 'Primakov sleduyet ideyam Gorchakova', *Nezavisimaya gazeta*, 29 April 1998.

Russia was economically weak after the 1998 collapse of the state obligation pyramid (GKO) and the default on IMF payments. Still, the overall strategic rationale of Moscow's policy towards Europe was not about joining Western institutions. Russia was pursuing a strategy of damage limitation, seeking to forestall the consolidation of a new trans-Atlantic security system while awaiting a convincing growth in its own economy.<sup>7</sup> Resistance against NATO enlargement, US missile defence, NATO's Kosovo campaign and proposals to transform the OSCE into a pan-European security organization exemplified this strategy. In June 1999, when preparing the process for a new set of doctrines, Minister of Foreign Affairs, Igor Ivanov, also indicated that the world should make a choice: 'either a multi-polar system built on the foundations of international law and supported by the existing institutions, or a unipolar model built on the domination of one single superpower'.<sup>8</sup> Also, at the height of the Kosovo crisis, Russia, China and India were the only states to vote for a Security Council resolution denouncing the NATO air-strikes as a violation of the UN Charter.<sup>9</sup>

Arguably, although Russia sought political rapprochement with the West after Kosovo, its military doctrine and national security concept were revised to fit the challenges of multi-polarity. An offshoot of this was a rapid warming of relations between the European Union, seeking a role as a new 'soft power' in international relations after Kosovo, and a Russia eager to reshape its foreign policy image. While the EU Commission framed a separate Russia strategy in 1999 singling out Russia as a strategic partner for the EU's evolving foreign and security policy, Russia increasingly spoke of the 'high value' of a separate EU–Russia strategic partnership, and embraced Europe as an ideal for internal transformation.<sup>10</sup> However, the discrepancy between Putin's assertion that Russia was fighting against terrorism and doing a service to Europe in this regard, and the waging of a war in Chechnya that ran roughshod over all human rights could not be ignored, tarnishing Russia's European aspirations.

Relations with the USA were looking less promising. To be sure, Russia also prepared the grounds for a new strategic outlook by ratifying the Comprehensive Test Ban Treaty (CTBT), the Non-proliferation Treaty (NPT) and Start II in 2000. Moreover, Putin's surprise announcement that a 'political NATO' could be acceptable for Russia shaped the image of a new Russia that the West could do business with.<sup>11</sup> However, when Clinton paid his last visit to Russia in 2000, Putin tried to convince him that if the USA proceeded with its unilateral disbandment of the

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<sup>7</sup> Sergei Medvedev, 'Power, Space and Russian Foreign Policy' in Ted Hopf (ed), *Understandings of Russian Foreign Policy* (University Park, PA: Pennsylvania State University Press, 1999), pp. 15–55.

<sup>8</sup> Igor Ivanov, 'Rossiya v menyayushchemsya mire', *Nezavisimaya gazeta*, 25 June 1999.

<sup>9</sup> Ambrosio, 'Russia's Quest for Multipolarity', p. 62.

<sup>10</sup> Putin even talked loftily about Russia belonging inherently to the European family. See Vladimir Putin, *Ot pervogo litsa*, Moscow, 2000.

<sup>11</sup> This argument is especially developed in Peter Truscott, *Putin's Progress* (New York: Simon and Schuster, 2004) and with considerable detail in J.L. Black, *Vladimir Putin and the New World Order: Looking East, Looking West?* (Lanham, MD: Rowman and Littlefield, 2004).



ABM Treaty, Russia would take ‘reciprocal action’.<sup>12</sup> Russia also reached out to China on the issue of ‘strategic balance’, as Putin in 2000 appealed to China to consider the US warnings that it would unilaterally leave the ABM Treaty as ‘destroying the strategic balance’ in international relations, and hinting that Russia would make an effort to restore it.<sup>13</sup> The USA was concerned that Moscow’s proposals of a European missile defence were merely an attempt to create fuzziness in trans-Atlantic relations, and the Nixon Center warned against Russian ‘spoiling’ effects in the international order.<sup>14</sup> When George W. Bush met Vladimir Putin in Slovenia in 2001, this was a meeting between the leaders of a two countries that were ‘neither enemies, nor allies’, as Ariel Cohen put it. The USA would pursue its interests with or without Russia. The strategic agenda was summarized as strategic disarmament, talks on non-proliferation issues (China, Iran, Iraq and North Korea), US plans for implementing missile defence, the sovereignty and integrity of the newly independent states (Ukraine and Georgia), and the internal matters of freedom of the press, and Chechnya. In sum, Russia was invited to a conditional partnership, one in which the USA would make clear the ‘consequences of establishing formal regional alliances with China, Iran, or other states hostile to the United States’.<sup>15</sup>

The catastrophic events of 9/11 simultaneously altered the perception of security challenges and set the stage for a closer and more direct relationship between the USA and Russia. Echoing Rajan Menon’s definition of ‘strategic convergence’ as a ‘multifaceted cooperation and a convergence of views and interests on important questions of international security’,<sup>16</sup> Washington and Moscow in 2001 and 2002 seemed set for a comprehensive rapprochement at several levels. First, both recognized international terrorism as the primary threat to international security. The domestic threat of radical Islamism in southern Russia manifested itself in Putin’s speeches as unconditional support to the USA. At the practical level, Russia provided intelligence support, and over-flight permissions. Putin also more explicitly evoked the ‘Westernizer’ discourse, by stating that Russia would be stronger in defending its interests if it were part of the international community: ‘If Russia is a full-fledged member of the international community, it may, in upholding its national interests in this sphere, derive benefits from such cooperation’, Putin said.<sup>17</sup> Second, the Western security community revived its

<sup>12</sup> Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2003), p. 372.

<sup>13</sup> Ambrosio, ‘Russia’s Quest for Multipolarity’, p. 52.

<sup>14</sup> ‘What is to be Undone? A Russia Policy Agenda for the New Administration’, Nixon Center Report, February 2001, at: <http://www.nixoncenter.org/Russia%20Policy%20Paper%20All.pdf>, last accessed 13 December 2007.

<sup>15</sup> Ariel Cohen, ‘An Agenda for the Bush-Putin Summit in Slovenia’, 11 June 2001, available at: <http://www.heritage.org/Research/RussiaandEurasia/BG1447.cfm>, accessed on 15 November, 2007.

<sup>16</sup> Rajan Menon, ‘The Strategic Convergence Between Russia and China’, *Survival*, vol. 39, no. 2, Summer 1997, p. 101.

<sup>17</sup> John O’Loughlin et al., ‘A Risky Westward Turn? Putin’s 9-11 Script and Ordinary Russians’, *Europe-Asia Studies*, vol. 56, no. 1, 2004, p. 14.

engagement with Russia. A US–Russian statement from 13 November 2001 said that ‘the members of NATO and Russia are increasingly allies against terrorism, regional instability and other threats’, and that the OSCE should develop as a representative and inclusive organization.<sup>18</sup> The inclusion of Russia in the Russia–NATO Council in May 2002 revived the security dialogue with the Kremlin on issues of non-proliferation, peacekeeping and crisis management, but potentially also the dialogue on internal transformation and civil control over military forces.<sup>19</sup>

Questions were pending, however, as to whether this would manifest itself in a normative convergence. The joint US–Russian statement of 13 November 2001 outlined the framework for a considerable reversal of former apprehensions, setting the relationship within a commitment to a liberal order and democratic standards. The statement was founded on the ‘commitment to the values of democracy, the free market and rule of law’, and that ‘neither country regards the other as an enemy or threat’.<sup>20</sup> Clearly, this point involved a deeper Russian dedication to internal reforms. Russia’s aborted reforms of the 1990s seemed an ill harbinger for long-term normative convergence and could potentially undermine the prospects for a strategic partnership against international terrorism.

The common stance of Russia and the Western Hemisphere against terrorism was demonstrated in concrete foreign policy choices. When in December 2001 the USA withdrew from the ABM Treaty,<sup>21</sup> Putin’s contribution to the ‘Westernizer’ approach of a new Russia was not to make a big political issue of this, but to focus instead on achieving a bilateral agreement on reductions of strategic warheads with the USA. Russia’s tempered reaction, and the general focus on cooperative security, manifested itself in the 24 May 2002 Moscow Treaty on strategic arms reductions, which stipulated a reduction of warheads by 2012, albeit without intermediate deadlines or clauses committing the parties to observe the limits beyond that year.

In the wake of the Moscow Treaty, Russia and the USA also signed an agreement on a new strategic relationship. At a subsequent press event at St. Petersburg University in May 2002, Bush stated that ‘the American people truly appreciated the cooperative spirit of the Russian government, and truly appreciate the sympathies of the Russian people for what took place on 9/11’. Moreover, Bush announced that his government would support WTO membership for Russia, and ‘do everything possible to make relations with Russia strong and friendly and cooperative and productive for both people’.<sup>22</sup> Subsequently, the US Department of Commerce granted Russia market economy status in

<sup>18</sup> <http://www.state.gov/t/ac/trt/18016.htm#5>, last accessed 7 December 2007.

<sup>19</sup> For this, see Oksana Antonenko, ‘Russia and the Deadlock Over Kosovo’, *Survival*, vol. 49, no. 3, 2007, pp. 91 – 106, p. 94, where she outlines that R-NAC appointed a working group on common approaches to peacekeeping. Antonenko also concedes that the Kremlin increasingly sees NATO as a threat.

<sup>20</sup> *Ibid.*

<sup>21</sup> For a more detailed story, see Peter Baker and Susan Glasser, *The Kremlin Rising: Vladimir Putin’s Russia and the End of Revolution* (Washington, DC: Potomac Books, 2007), pp. 136–37.

<sup>22</sup> <http://www.whitehouse.gov/news/releases/2002/05/20020525-2.html>, last accessed 7 December 2007.

June 2002, ten days after the EU.<sup>23</sup> The USA and Russia would start bilateral negotiations on WTO accession from 2002 and onwards, and Washington also pressed for wider use of economic incentives to combat threats to global security. At the July 2002 G-7 meeting in Kananaskis, the USA proposed that the G-7 countries should provide USD 20 billion over a ten-year period to non-proliferation programs in Russia and the former Soviet space, thus linking the issue of economic recovery and Russia's new status as a G-8 member to a broader security agenda. The USA pledged to cover half of this, with the EU, Japan and Canada providing the rest. The G-8 summit also confirmed that Russia would host the summit in 2006.<sup>24</sup>

With the benefit of hindsight it is easy to see that the partnership that developed between the USA and Russia after 9/11 was based on the pursuit of interests. Certainly, there was a strong feeling of identification and sympathy with the USA immediately after the terrorist events, and also recollections among Russians of the effect of the explosions of apartment blocks in 1999. Still, Putin's 'u-turn' in foreign and security policies after 9/11, when he allowed flights and bases in Central Asia and gave intelligence support, was partially making a virtue out of necessity.<sup>25</sup> Russia could not cope with the security challenge by itself, and US presence was desired as a new way in which to evoke a stronger partnership to meet Russian interests. As Sharyl Cross has observed, 'the pragmatic/realist approach championed by Russia's President recognized the contributions that partnering with the United States and NATO could bring to Russia in terms of resources for defeating the terrorist threat to Russia's soil'.<sup>26</sup> Hence, rather than a convergence in the full sense, 9/11, in the words of Anatol Lieven, opened up the 'possibility of a new era of limited cooperation among the world's major states', in which the USA could act as 'consensual hegemon'.<sup>27</sup> Washington recognized Russian weakness, but also the threats to US strategic interests stemming from the adjacent regions to the post-Soviet space. As for the Kremlin, close cooperation with Washington could tally with the ambition of strengthening the Russian state. Andrei Tsygankov thus stated in his analysis of Putin's foreign and security policy that Putin strove to reduce the challenge to Russian homeland security, while gaining a dividend in economic modernization. In this perspective, Putin 'believed that – as a

<sup>23</sup> <http://news.bbc.co.uk/1/hi/business/2032498.stm>, last accessed 7 December 2007.

<sup>24</sup> Aleksander Belkin, 'US-Russia Relations and the Global Counter-Terrorist Campaign', *Journal of Slavic Military Studies*, vol. 17, no. 1, 2004, and <http://www.rferl.org/reports/securitywatch/2002/07/24-020702.asp>, last accessed 10 December 2007.

<sup>25</sup> See Roy Allison, 'Strategic Reassertion in Russia's Central Asia Policy', *International Affairs*, vol. 80, no. 2, 2004, pp. 277–293, at p. 278.

<sup>26</sup> Sharyl Cross, 'Russia's Relationship with the United States/NATO in the US-led Global War on Terrorism', *Slavic Military Studies*, vol. 19, 2006, p. 179.

<sup>27</sup> Lieven suggests that the post 9/11 threat of international terrorism produced a consensus among affected states that response was necessary. For the USA, it opened an opportunity to fuse military supremacy with diplomatic skill, but, according to Lieven, US cooperation with states on other areas than anti-terrorism has been limited. Anatol Lieven, 'The Secret Policemen's Ball: the United States, Russia and the international order after 11 September', *International Affairs*, vol. 78, no. 2, 2002, pp. 245 – 259, at p. 247.

stateless phenomenon – terrorism was a challenge to the very system of states'.<sup>28</sup> Putin's device against the weakening of Russia's position in the international system was increasingly to centralize Russia politically and to focus on economic modernization.

During 2002, the partnership weakened in part because new conflicts of interest emerged and old ones, which had been pushed aside, re-emerged and proved more powerful than the common interest in the fight against international terrorism. Throughout 2002–2003, the Russian Ministry of Foreign Affairs underscored not only that partnership relations were close, but that Russian officials interacted with and met US officials on a regular basis and at several government levels. Yet, US–Russian relations were forged primarily as a personal relationship between two presidents,<sup>29</sup> and also – from the US side – conditioned on a change in Russia's strategic culture and bureaucracy. Moscow would hardly let the USA come too close in prescribing internal changes in Russia. Moreover, in 2002, Russia was increasingly apprehensive of the impact of the US fight against international terrorism. The Bush administration put the concept of pre-emptive strikes into play in the larger framework of using the US position 'of unparalleled strength and influence to create a balance of power that favors freedom', calling Russia 'an important partner in the war on terror [which] is reaching toward a future of greater democracy and economic freedom', as Condoleezza Rice stated. She added: 'as it does so, our relationship will continue to broaden and deepen'.<sup>30</sup> Simultaneously, a Russian version of pre-emptive strikes became manifest. When armed Chechen separatists took hostages at the Dubrovka Theatre in October 2002, Putin and government officials repeatedly stated that Russia would pursue the terrorist threat relentlessly and that military force might be set in to fight terrorist bases in third countries.<sup>31</sup> These statements reverberated in the internal context as Putin's 'strong man' image since 1999, when he was emerging as prime minister in the wake of the 1999 bombings of apartment blocks,<sup>32</sup> but was also supported as a broader government policy by subsequent statements from the leaders of the General Staff and the Ministry of Defence.

Clearly, although Russia had not as of 2002 adopted the concepts of pre-emptive use of force and preventive military action in its security doctrines, its leaders had nevertheless structured official policy statements so as to echo the significance of these concepts for Russia's security interests. This, however, did not rest on an inter-state convergence of a lasting consensus in international relations, as argued by

<sup>28</sup> Andrei P. Tsygankov, 'Vladimir Putin's Vision of Russia as a Normal Country', *Post-Soviet Affairs*, vol. 21, no. 2, 2005, pp. 132 – 158, at p.144.

<sup>29</sup> This assertion is shared by Aleksander Belkin, 'US-Russia Relations and the Global Counter-Terrorist Campaign', *Journal of Slavic Military Studies*, vol. 17, no.1, 2004, p. 15.

<sup>30</sup> Condoleezza Rice, 'A Balance of Power that Favour Freedom', at <http://usinfo.state.gov/journals/itps/1202/ijpe/pi7-4rice.htm>, last accessed 10 December 2007.

<sup>31</sup> For this, see Flikke & Wilhelmsen, 'Evidence...', pp. 393 – 94.

<sup>32</sup> In fact, Putin had loftily described a resolution of the situation in the Caucasus as his 'historical mission'. 'Zheleznyy Putin', *Kommersant*, 10 March, 2000.

some.<sup>33</sup> Russia could potentially and *de facto* interpret this norm in accordance with its own strategic interests. In fact, Russia committed itself on the one hand to the supremacy of the UN Charter as the single dominant normative framework for such actions, but was also seeking a regional mandate that would give it a clearly defined peacekeeping role as the dominant military power in the CIS, in conjunction with NATO and under a UN mandate.<sup>34</sup> To prescribe this norm as a template for action, Russia initiated air-strikes against assumed terrorist bases on Georgian territory, thus assuming a military posture of its own within the CIS sphere of influence. While apparently in line with a ‘consensus’ on preemptive use of force, this posture potentially also involved a stronger Russian leverage in the post-Soviet space.

As the USA in 2003 prepared for armed action against Iraq, the full implications of the new template for action became clear for Russia. Moscow returned to its multi-polar script and downplayed the significance of the US–Russian partnership. Minister of Foreign Affairs, Sergey Ivanov, told a Moscow audience in March that he was convinced that a unipolar system did not reflect the needs of global security: ‘under conditions of US dominance in the economic sphere, Washington’s announcement that it will take a leading position in security affairs will meet covert or open counter-actions from a large group of states’, he indicated.<sup>35</sup> Whether Russia would take a leading position in this was not specified, but a distinct policy of balancing US power re-emerged. Also in 2003, Russia insisted that UN Security Council Resolution 1441 was the sole foundation for an Iraq policy for the international community, and Russia’s position at the UN Security Council enabled its to join hands with France and Germany for the principles of the UN Charter. Thus, Russia converted a growing apprehension of declining sovereignty and increasing US power in the international system into a ‘European’ vector for underpinning the significance of these values at the global level. Russia also initiated a new vector in a bilateral meeting with Iran in March 2003, where Russia committed itself to inter-departmental talks with Iran on the challenges of international terrorism and the supremacy of the UN Charter.<sup>36</sup>

From 2003, the partnership began to crack. At the Bush–Putin summit in September 2003, the US president reiterated his government’s commitment to focus on a broader partnership than that of a pragmatic partnership in fighting global terrorism. ‘Today our relationship is broad and strong’, he said, adding that the USA would like to bring the rela-

<sup>33</sup> See Peter Dombrowski and Rodger A. Payne, ‘The Emerging Consensus for Preventive War’, *Survival*, vol. 48, no. 2, 2006.

<sup>34</sup> See Aleksander Nikitin, ‘Preemptive Military Action and the Legitimate Use of Force: A Russian View’, unpublished paper for the CEPS/IISS European Security Forum, 13 January 2003. Dov Lynch has observed that this included to ‘ensure the centrality of the UN in the formation of a new world order’ while striving to ‘rethink the scope of self-defence and the preventive use of force’. Dov Lynch, ‘The Enemy is at the Gate: Russia After Beslan’, *International Affairs*, vol. 81, no. 1, 2004, pp. 141–161, at p. 151.

<sup>35</sup> ‘Speech by Minister Igor Ivanov at the Moscow State Linguistic University’, 10 March 2003, at: [http://www.mid.ru/brp\\_4.nsf/sps/E86F1E321D750A2443256CE500460763](http://www.mid.ru/brp_4.nsf/sps/E86F1E321D750A2443256CE500460763)

<sup>36</sup> [http://www.mid.ru/brp\\_4.nsf/sps/ED83168FAC44510143256CE60053CC49](http://www.mid.ru/brp_4.nsf/sps/ED83168FAC44510143256CE60053CC49)



tionship to a new level: 'I respect President Putin's vision for Russia: a country at peace within its borders, with its neighbours and with the world, a country in which democracy, freedom and the rule of law thrive'.<sup>37</sup> Putin echoed this by stating that Russia and the USA had 'a special responsibility for ensuring international security and strengthening strategic stability', and that the war on terror was more than a strategic partnership: 'in this sphere [...] we are allies'.<sup>38</sup>

Russia was not approaching democratic standards, however. In domestic affairs, Putin's quest for empowering the state broke with the script of democratization and rule of law. The raid against Yukos, starting from the summer of 2003, threw spanners in the works for a US–Russian energy dialogue and opened for a state-led takeover of the energy sector. Moreover, liberal parties were outflanked by Kremlin-orchestrated electoral blocs. *Unified Russia*, the electoral vehicle for pro-Putin forces, gained by and large excessive public policy space as the drive towards reining in free media outlets increased. The Kremlin used the Duma elections to create conditions favourable to the re-election of Putin, and the campaign managers of the presidential bid interfered directly by telling candidates to drop out of the election campaign.<sup>39</sup> The military reforms initiated in 2002 also stalled.<sup>40</sup> Reform experiments culminated in the 'Ivanov doctrine' in 2003, which represented a nominal victory for the Russian Ministry of Defence in presenting the guidelines for military development, and induced also the tacit suggestion that the General Staff had not taken into account the nature of modern warfare and conflict.<sup>41</sup> Yet, the Russian army was not reformed. The Ministry of Defence signalled that modernization would ensue, and that the period of reforms was over. Moreover, the timing of the Ivanov doctrine was – according to analysts – tailored to match the re-election bid of the Putin crew in the 2003/2004 electoral cycle.<sup>42</sup> Hence, although necessitated by the pressing need for military reforms in Russia, the doctrine failed to deliver on the Westernization vector of political transformation.

Russia's slide away from internal democratization had been foreshadowed by its obstructive policies in the OSCE. From 2002, multilateral cooperation within the OSCE had become increasingly more difficult, and attempts to reach a common political statement were to no

<sup>37</sup> The Associated Press, 27 September 2003, at: <http://newsmin.org/archive/cabal-elite/globalization/putin-bush-meet-camp-david.txt>, last accessed 4 December 2007.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

<sup>40</sup> The scale of the experiment was one year, starting from September 2002, and Russian political parties, such as the *Union of Right Forces*, invested politically in this to front it as yet another attempt of Russia to Westernize and join efforts with the West. Dale R. Herspring, 'Putin and Military Reform', in Dale R. Herspring (ed), *Putin's Russia: Past Imperfect, Future Uncertain* (Lanham, MD: Rowman and Littlefield, 2005), pp. 185–204, at p. 192.

<sup>41</sup> Matthew Bouldin, 'The Ivanov Doctrine and Military Reform: Reasserting Stability in Russia', *Journal of Slavic Military Studies*, vol. 17, no. 4, 2004, p. 625. The doctrine took into account the character of regional conflicts, and included a focus on the regional web of new security institutions, such as the CSTO and the Shanghai Cooperation Organization with China (SCO). We return to this below.

<sup>42</sup> Ibid. p. 626.

avail. Russia interpreted the closure of the OSCE observer missions in Latvia and Estonia as directed against the rights of ethnic Russians abroad, and the OSCE was also stalemated by Russia's failure to meet the time-frame for withdrawal from Transnistria (2001) and Georgia (2002). In 2003, a Russian initiative to federalize Moldova was launched without meeting the deadlines for the withdrawal of Russian military personnel from the illegitimate Transnistria republic. The Russian proposal was not coordinated with the OSCE, and was presented as almost a *fait accompli* for the organization's negotiators.<sup>43</sup> The OSCE/ODHIR statement on Russia's 2003 and 2004 elections as 'free but not fair', subsequently added to Russian dissatisfaction with the organization. Increasingly, Russia found itself confronting what it saw as a biased approach of the OSCE to the post-Soviet space, and put down a veto against new observer missions in Ukraine.<sup>44</sup>

As Russia turned away from internal Westernization, the rhetorical overtures of a multi-polar world order were stepped up. In an article in *Russia and Global Affairs* in January 2004, Minister of Defence, Sergey Ivanov, stated that Russia's regional security interests would have first priority: 'developing relations with the Commonwealth of Independent States (CIS) is one of the priority foreign policy lines for Russia. Our country desires to continue to strengthen the potential for coordination of the military-political activities of the CIS countries within the existing structures and institutions, and primarily the Collective Security Treaty Organization (CSTO)'. Moreover, on NATO, Ivanov was unambiguous. The relationship to NATO was based on the Rome declaration from 2002, he stated, and added: 'Russia keeps a close watch on NATO's ongoing transformation and hopes for a complete removal of direct and indirect anti-Russian elements from the military plans and political declarations of its member states. However, if NATO remains a military alliance with an offensive military doctrine, Russia will have to revise its military planning and principles regarding the development of its armed forces, including its nuclear forces'.<sup>45</sup> General Colonel Yuriy Baluyevskiy, chief of the Russian General Staff, revealed a similar line of reasoning:

There is no other choice but for the world to be multi-polar otherwise it will lose its stability. It is my strong belief that Washington remained the 'sole pole of power' for only eighteen months, starting from the September 11, 2001 terrorist attacks on New York and Washington until the U.S. started its war on Iraq on March 20, 2003. During that period the U.S. had not only the strongest military power, but also the legitimacy to lead the world community in countering international terrorism. However, the U.S. pointedly

<sup>43</sup> See John Löwenhardt, 'The OSCE, Moldova and Russian Diplomacy in 2003', *Journal of Communist Studies and Transition Politics*, vol. 20, no. 4, 2004.

<sup>44</sup> Victor Yves-Ghebali, 'Growing Pains at the OSCE: The Rise and Fall of Russia's Pan-European Expectations', *Cambridge Review of International Affairs*, vol. 18, no. 3, 2005.

<sup>45</sup> Sergey Ivanov, 'Russia's Geopolitical Priorities and Armed Forces', *Russia in Global Affairs*, no. 1, January–February 2004.

ignored the opinions voiced by other countries and demonstrated a profound reluctance to compromise its own interests.<sup>46</sup>

The Beslan tragedy in August–September 2004 was a shocking demonstration of Russia's new security challenges and a decisive factor in the reshaping of Russia's political system. In a decisive move in September 2004, Putin cancelled direct elections of governors in the country's federal districts and subordinated the governors to direct nominations from Moscow. The mixed electoral system yielded to a fully proportional electoral system with a higher threshold – a move that effectively boosted the parties that had cleared the hurdles in 2003, but left others outside the elected institutions. Finally, Putin proposed that the voice of civil society should be channelled through a 'council', effectively nominated by the presidential administration.<sup>47</sup>

Russia also propped up state ownership in the energy sector, thereby stalling the prospects for international ownership. In September 2004, Gazprom aired a merger with Rosneft that would bring the state from an initial 39% share in the Gazprom stocks up to a 50 plus one share of the merged company. Although the merger failed, Rosneft still ended up as state controlled, and stripped off Yukos assets through acquiring Yuganskneftegaz in 2006. At rock bottom, starting from 2003/2004 the state moved into the energy sector, and the state-controlled gas sector was quickly converted to a tool for foreign policy leverage within the CIS. In late 2004, prompted by Russia's increasing dissatisfaction with US and EU support to the Orange Revolution in Ukraine, Putin revived multi-polarity as the guiding beacon of his country's priorities. Attending a military parade held by would-be president and Russia-friendly oligarch Victor Yanukovich in Kiev on the eve of the crucial 2004 presidential elections in Ukraine, Putin stated: 'But I, for one, believe that the world can only be multi-polar. Only a multi-polar world can have internal energy and stimuli for its development'.<sup>48</sup> The meaning of these words was vividly demonstrated when Gazprom turned off the gas transit to European markets through Ukraine on 1 January 2006 – the first day of the enforcement of the Constitutional amendment that stipulated Ukraine's transition to a parliamentary-presidential political system.

Despite the overtures to a strategic partnership, the script followed by Russia in 2003–2005 diverged from reforms. Moscow argued that it was a 'sovereign democracy' – a phrase coined by Kremlin strategists to capture not only the new strength of the Russian state in the oil-driven economy, but also to allege foreign interference in internal Russian affairs.<sup>49</sup> Apparently apprehensive of the new US focus on democratiza-

<sup>46</sup> Yuriy Baluevskiy, 'Strategic Stability in a Global World: A Common Agenda for Russia and the United States', *Russia in Global Affairs*, no. 4, October–December 2003.

<sup>47</sup> 'Putin to strengthen Kremlin's control', *Financial Times*, 14 September 2004.

<sup>48</sup> *RFE/RL Newsline*, 27 October 2004.

<sup>49</sup> The phrase was coined by Vladislav Surkov at a *Unified Russia* congress in February 2006. His long speech delved into almost all possible aspects of Russian sovereignty, basing it on the principles of political unity, Russia as an energy superpower, the central role of the secret police in fighting terrorism, and Russia's future as a 'free nation in a more democratic world



tion fronted by George W. Bush on the eve of the US–Russian summit in Bratislava, and also the effect of the ‘colour revolutions’ in Ukraine, Georgia and Kyrgyzstan, Russian officials throughout 2005 increasingly stressed that Russian NGOs were being supported from abroad. In November 2005, the Russian State Duma voted on new legislation that would force NGOs and charities to re-register and provide extensive documentation about their activities and finances. Chairman of the Duma’s committee on Constitutional Affairs, Vladimir Pligin, put it bluntly: ‘we must toughen control over the activities of certain organizations, including some foreign NGOs’.<sup>50</sup> This coincided with a new law floated by *Unified Russia* as a part of the 2006 budget to allocate funding of about USD 17 million to ‘Russian’ NGOs fronting the rights of Russians abroad and a specific version of Russian civil society.<sup>51</sup> Russian claims of a ‘double standard’ were also heard even with greater frequency. In November 2005, deputy minister of foreign affairs, Aleksey Grushko, lashed out against the ODHIR and the OSCE for applying what was seen as an ‘unacceptable’ focus on the post-Soviet space in monitoring activities. He lamented that the OSCE did not send observers to Germany or Poland, but only to the post-Soviet space, and warned that Russia would front this at the OSCE meeting in Ljubljana in December 2005.<sup>52</sup>

Starting in 2002, US–Russian strategic convergence was based on increased economic interaction. These prospects suffered a severe setback after Iraq, and in 2006 a new blow was dealt to US–Russian relations. Interestingly, problems emerged in the conjunction between economic interests and norms. In 2006, Putin had set the stage for the G-8 summit in St. Petersburg as a framework for finalizing with the USA the accession issues still pending, but in July 2006, negotiations broke off, with the US requiring more progress in trade concessions in order to get the agreement passed by Congress. Gazprom responded by saying that the announcement on access for foreign companies to the Shtockman field in the Barents Sea would be delayed.<sup>53</sup> The subsequent meeting between the two presidents reflected the degree of normative divergence that had been building up since 2005. At a short news conference, Bush stated: ‘I talked about my desire to promote institutional change in parts of the world like Iraq [...] and I told him that a lot of people in my country would hope that Russia would do the same thing’, while Putin replied staunchly that ‘we would certainly not like to have the same kind of democracy as in Iraq’.<sup>54</sup> Certainly, in November 2006, the last bilateral hurdles for entry were cleared, and US negotiators stated that an agree-

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order’. See Vladislav Surkov, ‘Suverentitet – eto politicheskiy sinonim konkurento-sposobnosti’, 22 February 2006, at <http://www.edinros.ru/print.html?id=111148>.

<sup>50</sup> RFE/RL *Newsline*, 23 November 2005.

<sup>51</sup> RFE/RL *Newsline* 21 November, 2005.

<sup>52</sup> Ibid.

<sup>53</sup> Martin Crutsinger, ‘Russia WTO Entry Negotiations Break Off’, *Washington Post*, 15 July 2006, at: <http://www.washingtonpost.com/wp-dyn/content/article/2006/07/15/AR2006071500207.html>

<sup>54</sup> ‘U.S., Russia Fail to Agree on WTO Membership’, *Associated Press*, 15 July 2006, at: <http://www.msnbc.msn.com/id/13855682/>

ment had been reached ‘in principle’. However, observers warned, Russia had still to confirm the bilateral agreements with Moldova and Georgia, and make progress in multilateral accession negotiations.<sup>55</sup>

Russia’s assertiveness toward the West peaked in 2007, when Putin lambasted US policies at the Munich security forum in February 2007 for its missile defence plans in Poland and the Czech Republic. Putin aide Sergey Yastrzhembskiy stated that norms no longer mattered. He underscored that ‘Russia is back as a world player’, and that Putin had been ‘tough rather than aggressive, which is fully in the keeping with the current principles of international politics’.<sup>56</sup> Following in the vein of national interests, Putin subsequently announced a moratorium on the CFE Treaty in April 2007, awaiting the Duma’s and Federation Council’s ratification to suspend the treaty. In November 2007 Russia suspended the CFE agreement, alleging that ‘colonial conditions had been imposed on Russia at a time of weakness’.<sup>57</sup> The discarding of the CFE conflated with the row over election observation during the December Duma elections, which resulted in ODIHR not sending observers at all. Moreover, in response to US plans for a strategic defence system in Poland and the Czech Republic, Russia again asserted that the missile defence elements would undoubtedly be aimed against Russia and that it would be impossible to participate in the joint project for theatre anti-missile defence with NATO.<sup>58</sup> Russia also proposed deploying the new Russian Iskander-M tactical missile in Belarus as a material ‘counter-measure’ to the US threat.<sup>59</sup> The background for all this was the lack of respect shown for the restored might of Russia.

Clearly, from the starting point of a possible strategic convergence in 2001, US– Russian relations have revealed a new set of animosities. Our argument is that as US–Russian divergence became evident, Chinese–Russian convergence increased. We now proceed to expand this argument by looking into the degree of convergence in Chinese–Russia relations within the paradigm of multi-polarity and in the normative outlook on international relations.

### Chinese–Russian Relations: Emerging Convergence

Historically, Russia and China have had an uneasy relationship. At the end of the 1960s, China changed from being the Soviets’ best friend to becoming a fierce enemy. Both countries claimed to be the leading force in the Communist movement: the animosity even resulted in military

<sup>55</sup> ‘Russia and US Reach Deal on WTO’, *Financial Times*, 10 November 2006, at: [http://www.ft.com/cms/s/0/1789a098-70b0-11db-8e0b-0000779e2340.html?nclink\\_check=1](http://www.ft.com/cms/s/0/1789a098-70b0-11db-8e0b-0000779e2340.html?nclink_check=1)

<sup>56</sup> *RFE/RL Newsline*, 23 February 2007.

<sup>57</sup> *RIA-Novosti*, November 16, 2007, at: <http://en.rian.ru/world/20071116/88449990.html>.

<sup>58</sup> *Itar-Tass*, November 14, 2007 referred in *Johnson’s Russia List*, November 15, 2007, at: <http://www.cdi.org/russia/johnson/default.cfm>.

<sup>59</sup> Dimitry Litovkin, ‘Iskander otpravlyayutsya v Belorussiyu’, *Izvestiya*, November 15, 2007, at: <http://izvestia.com/armia2/article3110304/>

clashes<sup>60</sup> and a Chinese declaration of claims on Russian territory in Asia, followed by almost open preparation for war. Mao came to consider the USSR and not the USA ‘the main source of the world war’, and Soviet propaganda depicted China as a dangerous enemy with expansionist plans and an ally of the USA against the USSR. This animosity was to last for over 30 years. Only in May 1989, following Mikhail Gorbachev’s visit to China, were relations declared ‘normal’.

In the mid-1990s the relationship between Russia and China underwent a further change. China was rising to the position of a new world power, and in this process its foreign policy became directed primarily towards not provoking the USA. At the same time China was engaging in limited balancing behaviour in reaction to the US predominance.<sup>61</sup> In Russia, the basically pro-Western foreign policy orientation was, as noted, replaced by Foreign Minister Yevgeniy Primakov’s concept of the multi-polar world order, with its edge against US predominance. This implied that the Kremlin’s foreign policy to a greater degree would be directed at balancing US power in the world – and Russia saw China as one such potential balancing partner.

These overlapping orientations as well as common interests in developing trade relations led to the April 1996 agreement on building a ‘strategic partnership’ between Russia and China, later confirmed and declared by President Jiang Zemin and Boris Yeltsin during a visit by the Chinese leader to Moscow in April 1997.<sup>62</sup> The warming ties between Moscow and Beijing had already resulted in a cooperation accord on fighting crime and drug trafficking along their common border in 1996, and were further underpinned by efforts at boosting economic and military ties.<sup>63</sup> The Agreement on Confidence Building in the Military Field in the Border Areas, signed by China, Kazakhstan, Kyrgyzstan, Tajikistan and Russia in Shanghai in April 1996, which marked the establishment of the Shanghai Five, and the Agreement on Mutual Reduction of Military Forces in the Border Areas signed by the same countries in April the following year, were manifestations of the new cooperative relationship between China and Russia in the Central Asian arena.

Increasing cooperation with China was viewed by Russia as a counterweight to the Western vector in its foreign policy. This was clearly demonstrated in Primakov’s words on his first anniversary as foreign minister: ‘If we declare China to be our strategic partner, we now

<sup>60</sup> These concerned the island of Zhenbao in the Ussuri River and Lake Zhalanashkol in 1969, thus echoing the assertion that all major disputes between China and the USSR involved border demarcations.

<sup>61</sup> For a good overview of China’s strategies for coping with US power, see Denny Roy, ‘China’s reaction to American predominance’, *Survival* 45:3 Autumn 2003, pp.57–78.

<sup>62</sup> *Rossiiskie Vesti*, 25 April 1997.

<sup>63</sup> A licensing agreement for Chinese production of Russian military aircraft was finalized and plans were made to construct an oil and gas pipeline between the two. See Paul Globe, ‘Toward a new Eurasian Alliance?’, *RFE/RL Features*, 16 December 1996. According to some estimates, already by 1997 China accounted for more than one third of all Russian arms exports.

mean that as seriously as if we were referring to Washington or Bonn.’<sup>64</sup> Despite repeated claims that their new cooperation was not aimed at third countries, the statements resulting from the presidential meetings between Zemin and Yeltsin in this period seemed to indicate that their cooperation was indeed a balancing act<sup>65</sup> aimed at strengthening their positions on issues where they felt that Washington did not listen to them. Thus, the December 1999 summit between Zemin and Yeltsin concluded with joint statements that no country should ‘interfere in another sovereign country’s attack against domestic terrorism’ (directed at US criticism of Russia’s conduct in Chechnya and possibly at Chinese policies against the Uighurs fighting for independence in Xinjiang), that Russia supports ‘China’s principled stand on the Taiwan issue’ and that attempts to violate the 1972 Anti-Ballistic Missile Treaty were ‘unacceptable’. They also expressed ‘deep regret’ over the US Senate’s refusal to ratify the Comprehensive Nuclear Test Ban Treaty and opposed the ‘reinforcing and expanding of military blocs’ (a reference to NATO expansion).<sup>66</sup>

Closer examination of the discourse following the development of the Shanghai Five also reveals that, despite the heavy focus on cooperation on regional security issues such as separatism, terrorism, crime and on economic issues, the initiative was clearly aimed at creating a counterbalance to the USA. While Boris Yeltsin said, on arriving in Bishkek for the Shanghai Five summit in August 1999, that he was prepared for a ‘fight against the Westerners’, President Jiang Zemin in a clear reference to the USA stated during the summit that hegemony and the politics of force were on the rise and he condemned all ‘forms of so-called neo-interventionism’.<sup>67</sup> Indeed, the final declaration of the summit stressed the Shanghai Five’s commitment to countering the perceived US domination.<sup>68</sup>

However, the rapprochement between Russia and China in the 1990s was only the small beginning of what Rajan Menon called ‘strategic convergence’.<sup>69</sup> There were clearly limits to a Chinese–Russian partnership built primarily on the rationale of counterbalancing the USA. Although a new trust seemed to be growing, there was still a long way to go. Accompanying a more positive image of China in Russia were fears of the ‘yellow peril’: the prospect that Chinese immigration in the Far East would threaten Russian national security and undermine Russia’s position in this region in the long term. At this point there was also still a huge gap between a Russian economy in crisis, a deteriorated army and a weak state on the one side, and a booming Chinese economy directed by

<sup>64</sup> Interview with *Itar Tass* Wednesday 7 January 1997.

<sup>65</sup> The declarations signed by Zemin and Yeltsin during their summit in April 1997 on a ‘multipolar world’ and the ‘formation of a new world order’ illustrated that this motivation was at least partly behind the new cooperation (*ITAR-TASS*, 23 April 1997.)

<sup>66</sup> Referred in *RFE/RL Newslines*, 10 December 1999.

<sup>67</sup> *RFE/RL Newslines*, 25 August 1999.

<sup>68</sup> Jeremy Branstein, ‘Shanghai Five Summit Focuses on Separatism, Regional Ties’, *RFE/RL Features*, 25 August 1999.

<sup>69</sup> Rajan Menon, ‘The strategic convergence between Russia and China’, *Survival*, vol. 39, 2, Summer 1997, p.101.

a fairly operational and strong political regime.<sup>70</sup> In this situation there were few prospects of an equal partnership. China did not want an alliance with a weak and unpredictable Russia, and Russia would be highly reluctant to play the role of a little brother in a new partnership with China. Moreover, even the common drive to counterbalance the USA was undercut by the fact that neither Beijing nor Moscow was prepared to suffer permanent harm to relations with Washington for the sake of a closer Chinese–Russian union. Russia was dependent on the USA for investments and access to technology, while China needed the USA as a market and also as a source of technology. Trade between Russia and China was ten times less than that between China and the USA at the time; moreover, it was limited to the sale of Russian military equipment and weapons in exchange for cheap Chinese commodity goods. According to Dmitri Trenin, economic ties between Russia and China actually entered a period of stagnation in the late 1990s.<sup>71</sup> Lastly, despite Russian arms sales to China, there were no signs of military cooperation becoming a component of the new Chinese–Russian partnership.

As for cooperation in Central Asia, the Kremlin's rather weak central control even over the regions of the Russian Federation itself in this period meant that Russia did not have a strong reach into its lost empire in Central Asia. Nor did it have a coherent strategy in Central Asia. When officially proclaimed Russian goals in Central Asia did manifest themselves, they did not correspond to Russia's reduced capabilities in this period. As for China, already at this point there was strong concern for increasing US influence in this area so strategically important for China. The rising Chinese economy further increased the demands for access to energy resources, while Central Asia also was a potential hinterland for Xinjiang separatist Uighurs. Russian–Chinese rapprochement could then potentially be beneficial for both: for Russia it was a 'return ticket' to Central Asia; for China it implied a possibility to explore a strategic hinterland, reduce trans-border threats and explore resource markets.

During the initial years of Vladimir Putin's presidency, the Chinese–Russian partnership did not seem to be developing. Judging from Putin's first speeches and actions on the foreign policy arena, Russia belonged to Europe and would be oriented in that direction. The pro-Western orientation of Russian foreign policy was of course drastically increased after the 9/11 events in the USA. Even if Jiang Zemin and Putin had signed a Treaty of Good Neighborly, Cooperative and Friendly Relations in July 2001, Putin's unequivocal siding with Bush in the war on terror and the new close cooperation that followed in its wake signalled that the Russian–Chinese strategic partnership was of far less importance. There no

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<sup>70</sup> While Russia's economy contracted by 6% in 1996, China's economy grew by 10%. See Stephanie Baker, 'Russia/China: Potential partnership faces obstacles', *RFE/RL Features*, 23 April 1997. For a discussion of the discrepancy between Russian and Chinese economies in this period see Dmitri Trenin, *Russia's China problem*, (Moscow: Carnegie Center, 1999), p.28.

<sup>71</sup> Trenin, *Russia's China problem*.

longer seemed to be a strategic convergence between Russia and China. Apparently, Moscow's decision to allow US military presence in Central Asia was made with minimal consultation with Beijing.<sup>72</sup>

However, during Putin's first period, trade between Russia and China nearly tripled and, importantly, showed signs of diversifying. Moreover, there was a proliferation of institutional links, not only bilaterally between politicians, ministries, economic entities and militaries, but also multilaterally within the SCO, APEC and the ASEAN Regional Forum.<sup>73</sup> Bobo Lo's evaluation of the partnership in early 2004, which emphasized the dual nature of the Chinese–Russian dynamics, thus concluded with a balanced and open prediction for the future of the partnership. He did stress, though, that the partnership lacked a foundation of shared values to sustain it at this point in time.<sup>74</sup>

As Russia's partnership with the West began to crack from 2003 and onwards, strategic convergence between Russia and China re-emerged and was eventually strengthened by a new normative convergence, the very dimension that Lo had said was missing. The re-emergent convergence between Russian and Chinese views and interests on important questions of international security was evident in the two countries' opposition to the US war on Iraq and in their complaints about US lack of respect for state sovereignty, for international law and particularly for multilateral institutions such as the UN Security Council. As shown above, Russia also re-engaged in repeated calls for a multi-polar world order, which China readily supported. Parallel to this, Russian support for the 'one China' policy was reconfirmed and strengthened, just as China backed Moscow's approach to the conflict in Chechnya. Thus, although the rise of terrorism as the primary global security threat had initially seemed to draw Russia and the USA closer together at the expense of the Chinese–Russian partnership, time has shown that the Russian and Chinese interpretations of this threat and their use of anti-terrorism to deal with problems like separatism and extremism have been very similar and have contributed to drawing them together.

The convergence of interests and views on international security was reinforced by growing multifaceted cooperation between the two countries in Putin's second period. As Putin embarked on a second term in 2004, emphasizing the need for strategic modernization of Russia, he announced a strategy to solidify Russia's economic reach. This was to a large extent a consequence of a conscious strategy on Russia's part and was of course greatly helped by its economic recovery. Also, while the Yeltsin regime had been too weak and fragmented to pursue the development of a new strategic partnership with China consistently, and serious disagreements within the Russian government on policies toward

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<sup>72</sup> According to Merry, Putin's westward turn and the commitments Russia made following 9/11 caused great concern in China. See Wayne Merry, 'Moscow's retreat and Beijing's rise as regional great power', *Problems of Post-Communism*, vol. 50, no.3, May/June 2003.

<sup>73</sup> Bobo Lo, 'The long sunset of strategic partnership: Russia's evolving China policy', *International Affairs*, vol. 80, no. 2, 2004, p. 297.

<sup>74</sup> *Ibid.*

China easily could thwart such initiatives from the top,<sup>75</sup> Putin's regime, with power firmly gathered in the presidential vertical, could much more effectively pursue and implement such a strategy. Thus, the border disputes that had been under negotiation for 40 years were finally resolved in 2004 and the agreements were ratified by the Russian Duma in July 2005. Steps were also taken by both the Russian and the Chinese sides to defuse the question of migration from China into Russia's Far East.<sup>76</sup> Significantly, and in contrast to the US–Russian partnership, the network of bilateral institutions at all levels was considerably expanded, making the partnership less dependent on the personal relationship between top leaders.<sup>77</sup>

Trade between the two countries has soared. In 2004 bilateral trade reached USD 20 billion, and Russia and China then raised the target to USD 60–80 billion by 2010. By 2007 Russia's trade with China had reached USD 30.46 billion for the months January–August.<sup>78</sup> The supply of energy from Russian to China makes up the most important economic element of their partnership.<sup>79</sup> In 2007 Russia occupied the fourth place in China's overall import of crude oil.<sup>80</sup> Although there has been no final decision on the pipeline routes for East Siberian oil,<sup>81</sup> the construction of a pipeline to Skovorodino close to the Chinese border, planned to come into operation by the end of 2008, would make Russia the largest single supplier of oil to China. In addition Gazprom signed a memorandum in 2006 on building two gas pipelines to China. With these two pipelines, Russia could cover almost all gas import to China in the future. Russian exports of military equipment to China have continued to rise; one-fifth of all Russian arms exports go to China; and cooperation in the field of nuclear energy has been enhanced.<sup>82</sup>

A major downside of Chinese–Russian trade is still, however, that industrial cooperation has been weak and is falling. For Russia it is par-

<sup>75</sup> See for example statements by the Russian Interior Minister and other government officials who sought to portray China as an enemy immediately following Zemin and Yeltsin's declaration of a 'strategic partnership', referred in Paul Globe, 'Russia's new Chinese problem', *RFE/RL Features*, 28 April 1997.

<sup>76</sup> On this see Bobo Lo, 'China and Russia, Common interests, contrasting perceptions', *CSA Asian Geopolitics, Special Report* 2006, pp. 9–10 and 12.

<sup>77</sup> *Ibid.* p.12.

<sup>78</sup> 'Moscow considers anti-dumping measures against China', *Eurasia Daily Monitor*, 4 October 2007.

<sup>79</sup> Itoh, for example, has seen a potential for a closer affinity between Russia as an energy provider and an economically booming China in need of fossil fuels (Shoichi Itoh 'Sino-Russian energy partnership: Dilemma of Cooperation and Mutual Distrust', in Greg Austin & Marie-Ange Schellekens-Gaiffe *Energy and Conflict Prevention*, (Hedemora:Gidlunds förlag, 2007), pp.57–77.)

<sup>80</sup> *Interfax*, 2 January 2008.

<sup>81</sup> Putin confirmed in September 2005 that Russia would give priority to constructing the pipeline ending in Daqin in China over a pipeline directed to Perevoznoy Bay on the Pacific which would primarily supply Japan (Japan, in contest with China, will pressure Putin for oil and gas', *Bloomberg*, 17 October 2005). However, at the meeting between the Russian and Chinese Prime Ministers in November 2007, Russia and China yet again failed to agree on the construction of the pipeline all the way to the Chinese border (*RFE/RL Newslime*, 7 November 2007).

<sup>82</sup> A major deal involving about USD 6 billion worth of contracts for Atomstroiekspor and Tekhsnabekspor to construct a third and fourth unit at the Tianwan Nuclear Plant in Jiangsu Province on China's eastern coast was signed in November 2007. See *RFE/RL Newslime*, 7 November 2007.

ticularly problematic that raw materials account for most of its exports to China.<sup>83</sup> Moreover, in 2007 for the first time since the early 1990s, Russia was running a trade deficit in bilateral trade with China, something which triggered calls in Russia for introducing trade barriers against China.<sup>84</sup> Compared to trade relations with other countries, the importance of bilateral trade between China and Russia has actually declined. In 2007 trade with Russia accounted for only 2% of China's trade total.<sup>85</sup> For both countries, trade with the USA or EU is still much more important, and that obviously influences the prospects for enhancing a Chinese–Russian strategic partnership centred on counterbalancing the USA.

On the other hand, growing Chinese–Russian cooperation was underscored and expanded by the first joint military exercise between the two countries in August 2005. With that exercise, the dimension of military cooperation previously missing in the Chinese–Russian strategic partnership was added. China and Russia also embraced more 'soft-cultural' policies. The leaderships of both nations have sought to change the images of each other in a positive direction. Subsequently, 2006 was the Year of Russia in China, and 2007 the Year of China in Russia. The aim has been not only to increase economic cooperation between the two, but also mutual esteem.

Recently it has been argued that the fact that a *normative convergence* now has been added to the growing strategic convergence is crucial to the future of Chinese–Russian partnership.<sup>86</sup> This normative convergence has emerged not as a consequence of deliberate efforts on behalf of the governments to acquire such convergence, but as a result of the shape that Chinese and Russian domestic models of governance and economy have taken over the last five years.

In the political field Russia has diverted from the Western liberal-democratic model. Russia's path away from the Western model of governance under Putin has, as noted above, included many steps, among them the restriction of freedom of the press, of independent political opposition and of freedom of assembly and attempts at constructing a civil society from above. The creation of *Unified Russia* as a party of power and a tool to mobilize support for the president's policies resulted in this party's total domination of the Duma elections in 2007, and the outcome of the 2008 presidential elections was decided before any election campaign was launched. Taken together, these steps have meant the creation in Russia of a political system where power is concentrated, and to a large extent unchecked, in the hands of the president. At the same time this system is representative and legitimate in the sense that Putin enjoys very strong support in the Russian population. That the Russian

<sup>83</sup> On these issues see Peter Ferdinand, 'Sunrise, sunset: China and Russia construct a new relationship', *International Affairs*, vol. 83, no. 5, September 2007, pp. 851–853.

<sup>84</sup> 'Moscow considers anti-dumping measures against China', *Eurasia Daily Monitor*, 4 October 2007.

<sup>85</sup> Ian Bremmer, 'Should we be worried about Russia and China ganging up on the West?', 29 August 2007 available at <http://www.slate.com/id/2172874/>

<sup>86</sup> Peter Ferdinand, 'Russia and China: converging responses to globalisation', *International Affairs*, vol. 83, no. 4, 2007, pp. 655–680.



elite no longer aims to create a Western-style democracy has been underlined in recent years by constant statements that Russia has to do it by itself, and by the coining of concepts such as ‘sovereign democracy’.<sup>87</sup>

China, for its part, never set out to become a Western-style liberal democracy. The Chinese Communist Party never gave up its monopoly of power, but has increasingly aimed to represent and incorporate a wider range of interests. According to Peter Ferdinand, Chinese leaders have aimed for a ‘guided democracy’ which will spread outwards gradually from greater democracy in the party. They have stressed, however, that the path to democracy is closely related to the safeguarding of national sovereignty, territorial integrity and state dignity and cannot be imposed by external forces.<sup>88</sup> Thus, despite very dissimilar starting points and other differences, the Chinese model of governance and the rationale presented to legitimize it have many striking similarities with the current Russian model.

Likewise, Russia is increasingly diverging from Western neo-liberal prescriptions for economic reform. Since the arrest of Mikhail Khodorkovsky in 2003, securing property rights has stopped being a priority, while the state has expanded heavily in the resource sector. Securing state control, at least over so-called strategic industries, has become more important than continuing privatization. Also, continuing to open the Russian economy to competition with the outside world, which was implemented so rapidly in the early 1990s, now seems to have been sacrificed in order to protect industries from foreign competition. In China, the state already in the 1990s adopted a policy of holding on to big companies of strategic importance to the national economy and letting go of medium and small ones, and this policy has recently been confirmed. Ferdinand thus argues that ‘despite the changes in the Chinese economy in recent years, the central and provincial state authorities continue to play a crucial role in determining both its structure and its performance’.<sup>89</sup> In sum, Russia and China seem to agree that the state should play a crucial role in developing their economies. Their strategies for development are therefore quite similar – and definitely dissimilar to the US neo-liberal model.

Lastly, it is reasonable to speak of a normative convergence between Russia and China on the issue of promoting ‘sovereignty’ and ‘state control’ as a rationale for conducting external and internal policies. The economic success of China and now of Russia, largely due to high oil prices, has resulted in a new self-confidence. Both countries can now afford to be less deferential towards the West; they both emphasize their ‘sovereignty’, their right to do things in their own way and according to their own interests. The normative convergence between Russia and China has also become evident in their ways of interpreting and legitimizing

<sup>87</sup> See Vladislav Surkov, note 49 above.

<sup>88</sup> Ferdinand, ‘Russia and China: converging responses to globalisation’, pp. 673–674.

<sup>89</sup> Ibid. pp. 664–665. Ferdinand argues that ‘China and Russia both pursue policies typical of “developmental states”, that is, states where the government still plays a crucial role in determining the direction of economic development’, p. 663.

their response to the international terrorist threat. In an environment where security issues have taken centre stage, both countries have given priority to order at the expense of freedom, to collective rights at the expense of individual rights, and the use of force and military methods at the expense of dialogue and negotiation when dealing with their respective separatist challenges.

Thus, while the ‘Westernizing’ Russia used to inhibit rapprochement with China, today the two seem to see more eye to eye on these questions. This adds a normative dimension to their strategic partnership and should, as Peter Ferdinand argues, strengthen their ability to cooperate because they now can view their interests in a new shared light.<sup>90</sup> We argue that this has in fact also been reinforced by a new institutional dimension – that of the Shanghai Cooperation Organization (SCO), encircling and engaging the states in Central Asia. In the following two sections, great power interaction in Central Asia will be studied as a litmus test of the general developments in US–Russian and Chinese–Russian relations outlined above. In particular we will scrutinize the effect of the new institutional arrangements on the US presence.

### **Building a US Alternative: Russia and China in Central Asia 2001–2004**

Russia’s retreat from Central Asia after the collapse of the Soviet Union and in the Yeltsin period was substantial. When Yeltsin visited Uzbekistan in 1998, he showed not only that Russia had lost its geopolitical grip on the region, but also that Russia’s political authority was on the decline; the Russian president had to be physically supported by Uzbek president Islam Karimov. Yet, Russian interests never abated. Dmitri Trenin argues that post-Soviet Russia has singled out Central Asia as the region to be dominated by Russia due to the potential fragility of these states, their importance as energy providers, and the potential demographic pressure on Russia’s declining population in the East.<sup>91</sup> As Russia increasingly flagged international terrorism as a global threat, these interests became manifest. Indeed, Russia accepted two new US airbases in the region to conduct the war in Afghanistan post-9/11. The Kremlin’s acceptance of this seemed to imply that the USA was replacing Russia as the security guarantor in the region, and the increased US presence appeared to diminish China’s role as well.<sup>92</sup> But in the longer run this tallied poorly with Russia’s re-emerging emphasis on a multipolar world order as the ideal for Russia, where China would be the natural allied to counterweight US influence regionally and globally.

Hence, already from 2001, Russia increasingly harboured ambitions to use the US–Russia partnership as a pretext for regaining a lost foot-

<sup>90</sup> Ibid. p. 679.

<sup>91</sup> Dmitri Trenin, ‘Russia and Central Asia: Interests, Policies, and Prospects’, in Eugene Rumer, Dmitri Trenin & Huasheng Zhao, *Central Asia: Views from Washington, Moscow and Beijing* (Armonk, NY: ME Sharpe, 2007), pp. 75–136.

<sup>92</sup> The USA established military bases at Khanabad in Uzbekistan and at Manas in Kyrgyzstan. A decision was also made in the summer of 2002 to provide military training to Turkmenistan.

hold. After having conceded to the inevitability of the US military campaign against the Taliban, Russia resuscitated the debilitated CIS Collective Security Pact (CST) for these means. Minister of Foreign Affairs, Igor Ivanov, framed this as a ‘consensus within the CIS’ in November 2001, arguing that ‘all the Collective Security Treaty countries are taking part in the antiterrorist coalition’ and that ‘we will continue our coordinated international effort not only in finishing the military operation, but also in the political arrangements in Afghanistan’.<sup>93</sup> This implied a shift in Russia’s CIS focus. In fact, security was not initially a prime issue for Russia’s revival of the CIS cooperation, and Putin spoke of new initiatives within the economic cooperation in the CIS in December 2001, indicating that security could be attained by stronger economies.<sup>94</sup> Still, security was the driving force after 9/11. As a first move, the Central Asian members of the CIS agreed to support a CIS anti-terrorist centre to combat international terrorism. Russian officials also propped up the CIS military capacities by drawing attention to a CIS rapid reaction force headquartered in Bishkek in Kyrgyzstan. Thus, the head of the CIS Collective Security Treaty, Valery Nikolayenko, argued that the rationale for the CST should henceforth be to ‘fight international terrorism’.<sup>95</sup>

Roy Allison has indicated that ‘Putin presided over a more proactive, hard-headed and effective policy in Central Asia since at least summer 2002’.<sup>96</sup> The basic prerequisites of this policy were clear already in the spring of 2002. In April 2002, Russian security officials stated with concern that the US presence in Kyrgyzstan should only be temporary. The head of the CIS anti-terrorist centre even claimed that US presence could increase the threat of terrorist attacks on Central Asian states.<sup>97</sup> In May 2002, Russia revamped the CST to become the Collective Security Treaty Organization (CSTO) – implying a Russian-led regional security organization capable of rivalling NATO’s position in the region. Putin followed up by stating in his annual speech to the Russian parliament that there would be no security in the region without Russia. ‘It was Russia’s principled position that made it possible to form a durable anti-terrorist coalition’, he stated. ‘In the context of allied relationships, we – together with the leaderships of a number of CIS countries – took corresponding decisions’.<sup>98</sup>

While initially fronting a strategy of ‘co-existence’ with the US and allied forces in Central Asia, *national security* was a main driver behind Russia’s efforts to reassert itself from 2002 and onwards. In fact, the Russian Ministry of Foreign Affairs issued a press statement in August

<sup>93</sup> Francesca Mereu, ‘Russia: CIS Collective Security Treaty Members Meet over Afghanistan, Terrorism’, *CDI Weekly*, no. 182, 2003, Washington, DC: Center for Defense Information. Available at: <http://www.cdi.org/russia/182-5.cfm>

<sup>94</sup> ‘CIS Summit Takes up Economic Integration, Anti-Terrorist Cooperation’, *RFE/RL Central-Asia Report*, 6 December 2001.

<sup>95</sup> *Ibid.*

<sup>96</sup> Roy Allison ‘Strategic Reassertion in Russia’s Central Asia Policy’, *International Affairs*, vol. 80, no. 2, March 2004, at p.277.

<sup>97</sup> ‘Moscow Grumbles at US Military Presence in Kyrgyzstan’, *Jamestown Monitor*, 26 April 2002.

<sup>98</sup> ‘Putin Takes Full Credit for Antiterrorism Effort in Central Asia’, *Jamestown Monitor*, 24 April 2002.

2002, designating the CIS as the priority region for Russian foreign policies, a choice 'dictated by national security interests and economic interests'.<sup>99</sup> It quickly became clear that security cooperation with the USA in this area was both controversial and not desirable<sup>100</sup> and that Moscow, fearing strategic displacement, viewed US expansion with increasing scepticism.<sup>101</sup>

Sergey Ivanov made several visits to Kyrgyzstan starting in June 2002, reaching an agreement with the Kyrgyz government in December to station Russian forces and attack fighters in Kyrgyzstan from 2003.<sup>102</sup> The Russian airbase in Kant was opened in October 2003 and has played an increasing role in bolstering the internal security of the Kyrgyz regime. Russia also converted its long-term role as a negotiator between conflicting parties in Tajikistan to a more sound military support policy from 2002 onwards. Rather than abandoning the 201<sup>st</sup> division base in Tajikistan, Russia converted it in 2004 into a foothold for Russian military presence under a new CSTO mandate. This was acceptable and desirable for Tajikistan, whose closeness to Afghanistan meant that the Tajiks had been confronted with border spillovers. The paradigmatic shift to fighting international terrorism within the CSTO also spoke more directly to the relevance of Russian presence.

In sum, the 'empty' promise of CIS security cooperation was in 2004 supplanted by a more steady security focus from Russia in Central Asia. Putin stated outright in 2004: 'the deployment of Russian bases has seriously strengthened the system of collective security in Central Asia.' Concerning Russian suggestions of cooperation between the CSTO and NATO against drug trafficking, Western scepticism about Russia's intentions for the CSTO discouraged such cooperation.<sup>103</sup> This was reinforced by Russia's active lobbying for an enlargement of the CSTO. In November 2004, Nursultan Nazarbayev floated a proposal at the CIS summit in Astana to cut down on the Staff for Coordination of Military Cooperation in the CIS and the Council of Defence Ministers in the CIS. Nikolay Bordyuzha, General Secretary of the CSTO, used a subsequent meeting to underscore that the CSTO was actively working to form a reaction force of 10,000 soldiers with contributions from Russia, Kazakhstan, Kyrgyzstan and Tajikistan.<sup>104</sup> Seeking an inroad with this proposal, Russia in 2005 apparently realized that the CIS security framework was no more effective than the economic cooperation, with

<sup>99</sup> 'Rossiya i SNG: Sostoyanie i perspektivy', 8 August 2002, at: <http://www.in.mid.ru/Ns-rsng.nsf/arh/017F25C25EFAE86843256C1D003CD669?OpenDocument>.

<sup>100</sup> Allison notes that Moscow became more passive or critical than cooperative in regional Partnership for Peace initiatives and that the working groups established under the new NATO–Russia Council which could have a Central Asian expression did not produce any outputs. See Roy Allison, 'Strategic reassertion in Russia's Central Asia policy', *International Affairs*, vol. 80, no. 2, March 2004.

<sup>101</sup> On this see John O'Loughlin, Gearoid O Tuathail & Vladimir Kolossov, 'Russian geopolitical storylines and public opinion in the wake of 9-11: a critical geopolitical analysis and national survey', *Communist and Post-Communist Studies*, vol. 37, no. 3, 2004, pp. 281–318.

<sup>102</sup> Flikke & Wilhelmsen, 'Evidence...', p. 407.

<sup>103</sup> Allison, 'Strategic reassertion in Russia's Central Asia policy', p. 292.

<sup>104</sup> 'Ministerstvo oborony protivitsya novomu geopoliticheskomu peredelu SNG', *Nezavisimaya gazeta*, 26 November 2004.

Ukraine, Georgia and Moldova effectively blocking CIS security cooperation, and Turkmenistan and Uzbekistan opting out of the CIS security structures. In 2005, the headquarters for CIS military cooperation was disbanded and the Russian push for enhanced security cooperation was transferred to the CSTO. Bordyuzha stated that ‘today, the real military and security and law-enforcement cooperation takes place mainly in the CSTO.’<sup>105</sup> The edge of the transformation was directed towards Central Asia. Bordyuzha outlined that Russia would focus on a plan for ‘coalition military planning towards 2010’, and ‘the creation of a large contingency in the Central Asian region’.<sup>106</sup> Certainly, this stepped up Russia’s focus on Central Asia as a region of strategic security importance.

If Russia was gaining in security leverage on the Central Asian states, it did not represent any major challenge to China in economic terms. The Chinese had actively cultivated ties to Central Asian states to meet emerging energy needs, and also utilized the SCO framework as a network for engaging with them. What Moscow’s security focus did provide was a challenge to US interests. In 2002, the US–Uzbek relationship grew especially strong, and was boosted by Islam Karimov’s blatant rebuff of the CIS as an inefficient structure, and one designed to curb his authority in security and foreign policy. Karimov was also more reluctant to see the terrorist threat as something emanating from outside the region of Central Asia, claiming that political infighting in neighbouring Tajikistan was a continued threat against his country. US assistance could clearly offer Uzbekistan a more independent role in the region, and also boost the foreign policy ambitions of Karimov. The USA also tried to provide incentives for improved human rights records by offering substantial direct assistance and loans to Uzbek authorities. As Martha Brill Olcott has shown, these loans peaked in 2001 and 2002, with a total of economic and military assistance of USD 218.5 million and USD 240.9 million respectively. Military assistance was highest in 2002, with USD 37.9 million against 9.7 and 0.5 in 2003 and 2004.<sup>107</sup>

If Uzbekistan was playing on internal differences between the Central Asian states and on direct US support, Karimov departed from this in 2003–2004. A major explanation is the increasing normative pull of a more authoritarian Russia, which seemed a less problematic partner than the USA. In 2004, the US–Uzbek relationship was severed when the US Congress slashed USD 18 million in aid due to the poor human rights records of the Karimov regime. Moreover, Karimov himself came to see the relationship to Russia in terms of a more appropriate normative dimension. Uzbek officials stated outright in 2004 preceding a rush meeting between Putin and Karimov: ‘unlike the West, Russians are

<sup>105</sup> ‘Armeyskoe bratstvo SNG dyshit na ladan’, *Nezavisimoe voennoe obozrenie*, 27 May, 2005.

<sup>106</sup> *Ibid.*

<sup>107</sup> Martha Brill Olcott, ‘US Relations to Uzbekistan: A Double Standard or a Second Class Treatment?’, Testimony to the US Congress, 14 June 2007, at: <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19315&prog=zru>.

not going to raise issues such as the status of opposition parties and human rights. Therefore, cooperation with Russia is more convenient for the Central Asian states'.<sup>108</sup>

To summarize: Russia was mainly a security provider, and it stepped up its security focus in 2001–2004. Russia's increasing retreat from the internal reform agenda and bilateral offers of military assistance alleviated any concerns Central Asian states might have had about letting Russia get too close. As US–Russian relations were becoming more and more strained in 2004 on central normative issues, prospects for a link between the allied operation in Afghanistan and an 'allied' regional security constellation with Russia, Central Asian states, and increasingly also China, seemed unlikely. Considering this development it is not difficult to agree with Roy Allison's conclusion that in 2004 the hopes for a strategic partnership between Russia and the USA in Central Asia were fading.<sup>109</sup>

Just like Russia, China did not actively oppose the opening of US bases in Central Asia following 9/11. Rather, China distanced itself from the Taliban, shared some intelligence with Washington and even played a limited role in the war against the Taliban. Moreover, the US-led war on terror has in fact helped to advance some of China's foreign policy goals. Under the aegis of anti-terrorism, China has for example moved to reduce the political threat posed by the Uighurs in Western China.<sup>110</sup>

Nevertheless, the new US presence did little to change China's long-term goal of positioning itself to protect vital security interests and increase its influence in the region.<sup>111</sup> And, even if Beijing has made good use of the US anti-terrorist doctrine and also stands to gain considerably in terms of security if ISAF manages to stabilize Afghanistan, it has clearly viewed the US advance into Central Asia following 9/11 as problematic, interpreting it as an attempt to restrict or challenge Chinese influence in Central Asia. Not least did the Chinese regard the US military presence as part of a wider plot to control energy resources in the Caspian Sea.<sup>112</sup> Thus, the introduction of a US military presence in Central Asia spurred China to increase its security presence in this region as well. Beijing pushed for bilateral military cooperation with Central Asian states after 2001. As of 2005 Kyrgyzstan had received USD 1.2 million worth in military equipment and a joint Kyrgyz–Chinese military exercise had been held. Kazakhstan had purchased military equipment

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<sup>108</sup> 'Karimov Makes Rare Visit to Moscow for Talks With Putin', *RFE/RL Feature Article*, 15 April 2004.

<sup>109</sup> Allison, 'Strategic reassertion in Russia's Central Asia policy', pp. 291–293.

<sup>110</sup> The independence-minded Muslim Uighurs have for a long time posed a complex challenge for China. With a diaspora community in Central Asia, mainly in Kyrgyzstan and Kazakhstan, the Uighurs have been seen by the Chinese authorities as potential 'fifth columnists' who could threaten the territorial integrity of China. Under Chinese pressure, Kyrgyz, Kazakh and also Uzbek leaders began to restrict the legal operation of pro-Uighur cultural groups from late 2002.

<sup>111</sup> Historically, the impact of foreign military threats – particularly czarist or Soviet – in Central Asia has been central in Chinese security thinking and still is so today. On this see Russell Ong, 'China's security interest in Central Asia', *Central Asian Survey*, vol. 24, no 4, December 2005, pp. 425–441.

<sup>112</sup> Ong, 'China's security interests in Central Asia', p. 434.

valued at USD 3 million as of 2005, and a joint Kazakh–Chinese military exercise was held.

To increase its influence in Central Asia, China has not only focused on bilateral initiatives but perhaps even more so on a multilateral initiative undertaken together with Russia, the SCO. The Shanghai Five (later SCO) was established in 1996, largely as a confidence-building measure to facilitate a cooperative environment for border management involving Kazakhstan, Kyrgyzstan, Tajikistan, China, Russia and, from 2001, also Uzbekistan. Following its establishment, the SCO had been used as a framework to increase collective efforts to cope with security threats, primarily terrorism. For China a strong motive behind this endeavour has been the aim of eliminating separatism in Xinjiang, and it has pushed the SCO to focus on Uighur separatist networks. The US entry into Central Asia after 9/11 initially seemed to render the SCO irrelevant, as its anti-terrorist mission and rationale in Central Asia were now taken on by the world's only superpower. Eventually, however, the entry of the USA in itself became an event that triggered efforts from both China and Russia to strengthen the SCO. The SCO was viewed and used by China and Russia as a common platform to increase their influence at the expense of the USA already in this period. Thus, within the SCO there has been a deepening level of security cooperation. In summer 2003 the SCO held its first-ever military exercise. In June 2004 a regional anti-terrorist body, the SCO Anti-terrorism Center, was established to fight 'terrorism, extremism and separatism'. A 'heads of state meeting' was formally inaugurated in June 2004.

Apart from strengthening bilateral military links and enhancing multilateral cooperation through the SCO, both China and Russia increased their economic activity in, and cooperation with, the Central Asian countries between 2001 and 2004. The energy resources in Central Asia are vital to the USA, and the BCT pipeline ensures that Kazakhstan will be an important partner in the future. Nevertheless, both Russia and China seem to have overtaken the USA also in this sphere.

Russia sought to become the primary transit country for energy resources from Central Asia and has been particularly eager to dominate the region's gas industry. Through Gazprom's pipeline system, dating back to Soviet times, Russia increased its influence through negotiating long-term deals for supply of gas. This particularly concerns Kazakhstan, but also the other four Central Asian states.<sup>113</sup> Russia's inroads to Turkmenistan were boosted by a strategic gas agreement signed by Putin and Niazov on 10 April 2003. The agreement singled out Turkmenistan as a provider of gas to the Russian markets until 2028, limited only by an agreement with Ukraine. Russia's gas deal was apparently also paralleled by an undisclosed bilateral security agreement.<sup>114</sup> The Transneft state pipeline system has been the principal tool for increasing control over oil

<sup>113</sup> Marika Karayianni, 'Russia's foreign policy for Central Asia passes through energy agreements', *Central Asia and the Caucasus*, vol. 22, no. 4, 2003, pp. 90–96.

<sup>114</sup> Eurasianet.org, 29 April 2003.

transit, and a 2002 agreement secured Russia a dominant role in oil transit from Kazakhstan for 15 years. Through the United Energy Systems of Russia (RAO-UES), Russia also increased investments in hydropower energy in Tajikistan and to a lesser extent in Kyrgyzstan in the period 2001–2004.<sup>115</sup> With increasing control over hydroelectric power in Central Asia, Russia has been gaining a critical voice in the management of the region's water resources.

For China, seeking further energy supplies for its modernization, Central Asia is crucial as a supplier of oil and gas. Increasing ownership of oil and gas assets probably became Beijing's first priority vis-à-vis Central Asia. Chinese state-owned oil companies managed to outbid rivals for controlling interests of several major oilfields in western Kazakhstan in this period, and China thus acquired an important entry to Kazakh energy development.<sup>116</sup> In 2004 the Kazakhs and Chinese agreed on building a new jointly owned oil pipeline from Atyrau to Alashankou on the Kazakh–Chinese border. The Chinese also reached preliminary agreements on oil and gas development and other Chinese investments in Uzbekistan in this period. For example, the Chinese National Petroleum Company signed deals with Uzbekneftegaz on smaller oilfields in the Bukhara area. Concerning Turkmenistan, suggestions were made to import Turkmen gas via a pipeline going through Kazakhstan and further onto Xinjiang in China.

In addition to growing energy cooperation, the Chinese had a major trading presence in Central Asia already at this time, and trade with China became increasingly important for all the Central Asian states. Moreover, China seems to have been the only state eager to invest in the rather poor Kyrgyzstan, where small and medium-sized Chinese investors began to dominate several economic sectors.<sup>117</sup>

The normative appeal of the big powers among the Central Asian leaderships also seemed to be changing by the end of this period. Writing in 2003, Rajan Menon pointed out that the US presence in Central Asia would endure in part because the appeal of a USA one-sidedly focusing on the terrorist threat while not talking about human rights demands, would be great among the Central Asian leaders.<sup>118</sup> However, that appeal was lost in 2004, when the Bush administration launched a new focus on the promotion of democracy. As noted, Uzbekistan, the state most eager to attach itself to the USA after 2001, started to re-orient itself following Bush's new focus on human rights and democracy. According to Anna Matveeva, not only have most Central Asian leaders felt inferior to their Western counterparts, they have increasingly felt that the democracy dis-

<sup>115</sup> Anna Matveeva, 'Return to Heartland: Russia's Policy in Central Asia', *The International Spectator*, vol. 42, no.1, March 2007, p.50.

<sup>116</sup> Russell Ong, 'China's security interests in Central Asia', p. 431. The Chinese National Petroleum Company owns a controlling interest in the Kazakhstan production company Aktobemunaigaz.

<sup>117</sup> All this is derived from Martha Brill Olcott, 'Is China a reliable stakeholder in Central Asia?', Carnegie Endowment for International Peace Publication, August 2006.

<sup>118</sup> Rajan Menon, 'The New Great Game in Central Asia', *Survival*, vol. 45, no.2, Summer 2003, pp.187–204.



course and democracy promotion singled them out for punishment.<sup>119</sup> This has been accompanied by disappointment in the poorer countries of Central Asia at the size of the annual foreign assistance packages received from the USA in exchange for their security cooperation. While military assistance rose strikingly in 2002 and 2003, it dropped sharply in the next two years.<sup>120</sup>

By contrast, the increasingly authoritarian outlook of the Central Asian regimes was matched by that of Russia. Putin's model of 'sovereign democracy' definitely had more appeal in Central Asia than the Bush administration's new rhetoric. And, in certain respects, Putin became a role model for Central Asian leaders. This new normative fit came in addition to Russia's traditional main assets in comparison to other great powers in Central Asia: common past, with shared language, culture and information systems.<sup>121</sup> Today's Central Asian and Russian leaders thus understand each other and the ways of engagement. This is a basic prerequisite for increased Russian influence in Central Asia.

Similarly, also China has a non-liberal political system matching those of the Central Asian states, and has not been pushing a democracy and human rights agenda in its relations with Central Asian leaders. Beijing has not exactly been encouraging these leaders to create autocratic regimes, but shares the belief that security threats come from groups with extremist ideologies and are not produced by domestic policies and human rights abuses.<sup>122</sup> Moreover, although China lacks the legacy of being the regional hegemon in Central Asia, territorial concessions by the Central Asian states to China in the 1990s already then marked recognition of China's potential for hegemonic power in the region. There is great admiration among Central Asian leaders for China's ability to promote high rates of economic growth while maintaining a controlled political regime. Thus, as of 2004 also China seemed to be in a better position than the USA to increase its influence in Central Asia, particularly in view of what seemed to be concerted Chinese–Russian intentions and efforts to replace the US presence in Central Asia. This will be discussed in detail below.

### **Successful Cooperation? China and Russia in Central Asia after 2004**

As indicated above, two main common interests stand out as underpinning the Chinese–Russian strategic partnership in Central Asia. One involves countering the threats of 'terrorism, separatism and extremism' a phrase often reiterated in SCO rhetoric and indeed mirrored in the work of the organization. The other is opposing US influence. Concerning this second common interest, we contend that both China and Rus-

<sup>119</sup> Matveeva, 'Return to Heartland: Russia's Policy in Central Asia', p.55.

<sup>120</sup> Martha Brill Olcott, 'The Great Powers in Central Asia', *Current History*, October 2005, p. 332.

<sup>121</sup> For example, Russian television is still the main source of information and entertainment.

<sup>122</sup> Martha Brill Olcott, 'The Shanghai Cooperation Organization. Changing the playing field in Central Asia', Testimony before the Helsinki Commission, September 2006.

sia have clearly stepped up the use of the SCO as a vehicle to oppose and even supplant US influence in Central Asia since 2004. As we have traced below, this can be seen both in their ‘talk’ and in their ‘walk’. Notably, the general notion of rapprochement between China and Russia has generated pressure on the Central Asian states that immediately after 9/11 sought an independent and balancing role between the great powers. Their base policies have shifted, and US inroads have been fewer. We approach this below with a general outline of SCO statements, military exercises and direct assistance and their effect on single states, with Uzbekistan as the clearest example of a turn-around. We also assess how economic cooperation and normative appeal have contributed to drawing the Central Asian states closer to Russia and China.

The final statement of the summer 2005 SCO summit, held in Astana, indirectly criticized Washington for seeking to monopolize and dominate international affairs.<sup>123</sup> China and Russia were reportedly responsible for penning this statement,<sup>124</sup> and this talk was swiftly followed by the first Russian–Chinese military exercises conducted within the SCO frame.<sup>125</sup> The common interest in countering the USA was evident in the large ‘Peace Mission 2005’ organized by China and Russia on the Shandon Peninsula in the Yellow Sea in August 2005. Despite the declaration by both China and Russia that the exercise was aimed at combating ‘terrorism, extremism and separatism’, several Russian officials underlined that the exercise also could serve to bind the Russian and Chinese military together and enable them to take on other common tasks within the SCO frame.<sup>126</sup> Moreover, the practical arrangements of the exercise seemed to indicate targets other than terrorists, extremists and separatists. The exercise involved nearly 10,000 troops, advanced aircraft and army navy, air force, marine, airborne, and logistics units from both countries and included large-scale troop manoeuvres. During the exercise Russia demonstrated the supersonic ‘carrier-buster’ cruise missile Moskit, one of the most advanced weapons in its arsenal and, as Ariel Cohen noted, clearly designed to get the attention of the US Navy.<sup>127</sup> Thus, it was not without reason that the Russian daily *Nezavisimaya gazeta* suggested that the exercise added a new *military* component to the agenda and workings of the SCO, different from the well-established rationale of fighting terrorism and signalling a growing ambition in the field of traditional security policy.<sup>128</sup> Russian media framed the exercise as a ‘strike against the US strategy of a unipolar world’,<sup>129</sup> and Russia

<sup>123</sup> ‘Declaration of Heads of Member States of Shanghai Cooperation Organization’, 5 July 2005, English translation available at SCO home page <http://www.sectsco.org/home.asp?LanguageID=2>

<sup>124</sup> *Ria Novosti* 18 July 2005.

<sup>125</sup> The exercise was formally held on a bilateral level, but was referred to both by Russian and Chinese officials as an exercise within the SCO frame.

<sup>126</sup> Defence Minister Ivanov and Russian Army Chief Yuriy Baluyevskiy, quoted in Artur Blinov, ‘Moskva i Pekin ne ispugali Pentagon’, *Nezavisimaya gazeta*, 25 August 2005.

<sup>127</sup> Ariel Cohen and John Tkacik, ‘Sino–Russian military manoeuvres: A threat to U.S. interests in Eurasia’ *Backgrounders* No 1883, 30 September 2005, published by the Heritage Foundation.

<sup>128</sup> Artur Blinov, ‘Moskva i Pekin ne ispugali Pentagon’, *Nezavisimaya gazeta*, 25 August 2005

<sup>129</sup> ‘Udar po amerikanskoy strategii odnopolyarnogo mira’, *Nezavisimoe voennoe obozrenie*, 26 August 2005, at: [http://nvo.ng.ru/forces/2005-08-26/1\\_china.html](http://nvo.ng.ru/forces/2005-08-26/1_china.html)

used the 'Peace Mission 2005' to once more raise the Primakovian idea of a 'triangle' consisting of India, Russia and China. Referring to the large-scale exercise, Sergey Ivanov announced that India would perhaps be invited as a SCO observer to similar events in the future.<sup>130</sup>

Joint statements on opposing the USA began emanating not only from exercise patterns, but also from SCO 'summitry'. The 2007 summit held in Bishkek again underlined the rapid expansion of the SCO as an influential organization in Central Asia. Apart from the six member states, the observer states Pakistan, Iran, India and Mongolia were represented. Moreover, Turkmenistan's president Gurbanguly Berdimukhamedov and Afghanistan's president Hamid Kharzai took part in the meeting as special guests. This was the first time a Turkmen leader attended a SCO summit. The significance of Hamid Kharzai's presence was underlined by Putin's suggestion that the SCO should increase security cooperation with that country and hold a special security conference on Afghanistan.<sup>131</sup> Calls for a multi-polar world order were repeated by several SCO leaders in their statements during the summit. Also, the 2007 SCO Bishkek Declaration starts with criticism of unilateral action in the international arena and goes on to stress that 'stability and security in Central Asia can be provided first and foremost by the forces of the region's states on the basis of international organizations already established in the region.'<sup>132</sup>

Following up on the Bishkek summit a 'Peace Mission 2007' joint counter-terrorism exercise was held in China and in Russia (Chelyabinsk) on 9–17 August 2007. It reportedly involved 6,500 personnel from all SCO participant states, as well as 1000 units of military hardware – 500 from Russia alone.<sup>133</sup> Despite claims by both the Chinese ambassador to Russia Liu Gushang and Russian General Yuri Baluyevsky that the SCO joint military exercise would not target any other country and that the SCO would not become a military bloc,<sup>134</sup> the exercise demonstrated that military coordination and synchronization within the SCO domestically and internationally had reached higher levels. The fact that the military exercise was combined with the political summit has also been interpreted as indicating that political and military objectives are coming into line with each other, contradicting the denial that the SCO would develop into a political military security organization.<sup>135</sup> Also, the selection of aircraft and the presence of paratroopers indicate that the manoeuvres involve training of a possible joint rapid deployment force, a

<sup>130</sup> 'Moskva sodaet novyy superblok', *Nezavisimoe voennoe obozrenie*, 2 September 2005, at: [http://nvo.ng.ru/wars/2005-09-02/1\\_moscow.html](http://nvo.ng.ru/wars/2005-09-02/1_moscow.html)

<sup>131</sup> *RIA-Novosti* 16 August 2007.

<sup>132</sup> 'Bishkek Declaration', 16 August 2007, English translation available at SCO home page <http://www.sectsc.org/home.asp?LanguageID=2>

<sup>133</sup> 'Ucheniya "Mirnaya Missia 2007" proshli uspešno', *Nezavisimaya gazeta*, 17 August 2007, at: <http://news.ng.ru/2007/08/17/1187350057.html>

<sup>134</sup> *Xinhua* 10 August 2007 and *Itar-Tass*, 9 August 2007.

<sup>135</sup> 'SCO Summit demonstrates its growing cohesion', *The Power and Interest News Report* 14 August 2007 available at [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=673&language\\_id=1](http://www.pinr.com/report.php?ac=view_report&report_id=673&language_id=1)

sign of collective security arrangements.<sup>136</sup> Military manoeuvres were directed at fighting international terrorism, press reports stated, but the participation of Chinese military aircraft, paratroopers, artillery and heavy armoured vehicles (tanks) and manoeuvres for the use of WMD against a potential enemy, told a different story.<sup>137</sup>

Putin apparently utilized the pretext of the exercise to flex muscles also globally. As Russian strategic bombers renewed their flights in the North Sea, Putin announced at the SCO event that Russia would support its economic interests with military power.<sup>138</sup> Hence, by flagging the SCO, Putin also informed the world community that the SCO was seeking more than simply a regional role – it represented a constellation of powers for – in Moscow’s terms – a more ‘democratic world order’.<sup>139</sup>

The flexing of military capacities has been underpinned by a new focus on direct assistance. *Uzbekistan* was – after the Andijan events – increasingly under influence from China and Russia to bandwagon on the SCO. The final statement of the summer 2005 SCO summit directly demanded that non-regional powers eventually remove military bases stationed in member countries and called for a timeline for such withdrawal.<sup>140</sup> Apart from official SCO statements Russian spin-doctors had actively referred to Andijan as yet another pretext for Uzbekistan to consider joining the SCO, the only organization that could ‘facilitate the decline of US influence in the region’.<sup>141</sup> In August 2005, Uzbek authorities requested the USA to vacate the base at Karshi-Khanabad within 180 days, allegedly disgruntled by the fact that US forces had evacuated refugees from Andijan in Kyrgyzstan, but obviously at the same time attracted by the ‘pull’ of Russia and the SCO.

In 2005 China and Russia also lobbied the SCO towards *Kyrgyzstan*. The Tulip Revolution, which brought Bakiyev to power in 2005, was not viewed as a US-sponsored one by the winner himself. The fact that the new government re-established relations with Moscow faster than with Washington after President Akayev’s departure shows that the labelling of the new regime as pro-Western was premature. Following the Tulip Revolution in Kyrgyzstan in March 2005, Russian media speculated extensively over the positions of Kyrgyzstan, arguing that the US base was but a pretext for gathering information about China. In addition to blaming the EU, OSCE and USA for exporting revolutions, it was suggested that the 24 March 2005 uprisings, when Akayev fled to Kazakhstan, potentially could aggravate trans-border separatism in the

<sup>136</sup> ‘Shanghai cooperation, military overtones’, *International Relations and Security Network*, 13 August 2007 available at <http://www.isn.ethz.ch/news/sw/details.cfm?ID=17972>

<sup>137</sup> ‘Moskva i Pekin sygrayut v voynu’, *Nezavisimaya gazeta*, 1 March 2007, at: [http://www.ng.ru/politics/2007-03-01/1\\_1\\_pekin.html](http://www.ng.ru/politics/2007-03-01/1_1_pekin.html)

<sup>138</sup> ‘Bombardirovshchiki zaleteli v bol’shuyu politiku’, *Nezavisimaya gazeta*, 20 August 2007, at: [http://www.ng.ru/politics/2007-08-20/1\\_add.html](http://www.ng.ru/politics/2007-08-20/1_add.html) and *RFE/RL Newsline*, 20 August 2007.

<sup>139</sup> This argument surfaced once more in Sergey Lavrov’s article ‘Mir nuzhdaetsya v ravnovesii’, *Nezavisimaya gazeta*, 10 September 2007.

<sup>140</sup> ‘Declaration of Heads of Member States of Shanghai Cooperation Organization’, 5 July 2005, English translation available at SCO home page <http://www.sectsco.org/home.asp?LanguageID=2>

<sup>141</sup> ‘Karimov narvalsya na sanktsii’, *Nezavisimaya gazeta*, 1 August 2005, at: [http://www.ng.ru/cis/2005-08-01/6\\_karimov.html](http://www.ng.ru/cis/2005-08-01/6_karimov.html)

Uighur province and consequently that China had considerable interests in keeping Kyrgyzstan in the SCO.<sup>142</sup> Moreover, Putin commented to the events that they were ‘no surprise’, while a member of *Unified Russia*, Mikhail Gryshankov, stated: ‘I am deeply convinced that the organizer of these two events should be sought in the same place – the United States’.<sup>143</sup> Subsequently, the Kyrgyz ambassador to Russia announced in July 2005 that the US base in Kyrgyzstan was not there for the long haul, and that the military base held by Russia was ‘a correct strategic priority’.<sup>144</sup> In December 2005, Kyrgyz authorities demanded a raise in the rental to USD 200 million annually, Russian media reported, adding that Kyrgyz–US relations were under ‘strain’ due to several incidents.<sup>145</sup> Kyrgyz authorities have not yet ousted the US base, but signals from the Kyrgyz leadership indicating that the base’s days are counted have increased. In May 2007 President Bakiyev announced that a commission had been formed to review the bilateral agreement concerning the base.<sup>146</sup>

Also in the economic sphere there have been signs that Western interests in Central Asia are being replaced by Russian and Chinese ones. A wave of redistribution of private assets has been underway in Kazakhstan and Kyrgyzstan. Many foreign companies have had their contracts re-negotiated, and assets have been redistributed in favour of Russian, Chinese and Kazakh investors. For example, a Canadian company, PetroKazakhstan, changed hands in 2005, with Chinese capital behind the deal.<sup>147</sup> It is also telling that following the first opening up of Turkmenistan’s economy after the death of President Saparmyrat Niyazov in 2006, two pipeline deals were signed, one with Russia and one with China (see below).

Notably, over the last few years the SCO has, by strengthening its role in the energy sector, become a vehicle for accelerating this development. At the 2006 SCO summit in Shanghai, several energy deals were arranged between member countries, but also with countries that have acquired observer status in SCO (Mongolia, Iran, Pakistan and India). And, in July 2007 the ‘energy club’ was established within the SCO framework. The regulations of this ‘club’ explain that it unites energy producers, consumers and transit countries in coordination of energy strategies with the aim of increasing energy security. The 2007 summit in Bishkek testified to the new emphasis on the economic dimension. During the summit, the SCO state leaders said that they could ensure not only regional stability but also energy security in the region, without outside assistance.<sup>148</sup>

<sup>142</sup> ‘Prognozy dlya Kirgizii’, *Nezavisimaya gazeta Dzhur’er*, 25 April, 2005, at: [http://www.ng.ru/courier/2005-04-25/10\\_kirgizia.html](http://www.ng.ru/courier/2005-04-25/10_kirgizia.html)

<sup>143</sup> RFE/RL *Newsline*, 25 March, 2005, at: <http://www.rferl.org/newsline/2005/03/250305.asp>

<sup>144</sup> ‘Baza SshA budet vyvedena iz Kirgizii’, *Nezavisimaya gazeta*, 11 July, 2005, at: <http://news.ng.ru/2005/07/11/1121073872.html>

<sup>145</sup> ‘Torg vokrug voennoy bazy’, *Nezavisimoe voennoe obozrenie*, 23 March 2007, at: [http://nvo.ng.ru/wars/2007-03-23/2\\_kirgizia.html](http://nvo.ng.ru/wars/2007-03-23/2_kirgizia.html)

<sup>146</sup> ‘Manas agreement under review’, *Eurasia Daily Monitor*, 30 May 2007.

<sup>147</sup> RFE/RL *Newsline*, 2 June 2005.

<sup>148</sup> *RIA Novosti*, Bishkek, 16 August 2007.

*Kazakhstan* is the Central Asian country which most clearly demonstrates the ‘pull’ of the SCO’s increasing focus on the economic dimension. Kazakhstan’s stake in the SCO has mainly been within the field of energy, and less so in security. Hosting the SCO in Astana in June 2005, Nursultan Nazarbayev stated that ‘cooperation within the field of energy has a strategic significance for a common development [of the region]’.<sup>149</sup> Nazarbayev’s comment was tailored to highlight the oil pipeline Atashu–Alashankou that was projected to be finished by the end of that year, covering a distance of 3000 kilometers, and providing China with 20 billion tons of oil annually (see below). During the 2007 SCO summit, Nazarbayev while presenting the strategy for the ‘energy club’ said that forming an oil and gas club was one of the pivotal ideas for the SCO, and that the existing pipeline system linking Russia, Kazakhstan and China could serve as a basis for establishing a uniform SCO market.<sup>150</sup> Surely, this ‘pull’ is also desirable for Kazakhstan, as it creates opportunities for manoeuvring. As Dmitri Trenin contends, Kazakh authorities have had the ambition of becoming something like a ‘third pillar’ alongside with Russian and China in the SCO.<sup>151</sup>

Thus, the new strategic convergence which has emerged between Russia and China has clearly influenced developments in the SCO, and Moscow and Beijing have used the SCO to enhance their strategic influence in Central Asia at the expense of Washington. We would also argue that the new normative convergence between Russia and China seems to have had the same effect, as mirrored in the Charter of the SCO. Its Article 2 (*Principles*) explicitly states that sovereignty, territorial integrity of states and non-interference in internal affairs are crucial principles for the member states. There are no references to democracy, human rights or the right to self determination.<sup>152</sup> This normative profile is also evident if one studies SCO statements over time. The final statement of the 2005 SCO summit stressed ‘democratization of international relations’, an indirect criticism of US unilateralism and interventions, but made no mention of the word ‘democracy’ in relation to domestic affairs. Rather it stressed that ‘every people must have the right to choose its own way of development’ and that ‘in the area of human rights it is necessary to respect strictly and consecutively historical tradition and national features of every people, sovereign equality of all states’.<sup>153</sup> This insistence on the right to pursue particular ‘models of development’, on non-interference in internal affairs and the need to ‘safeguard sovereignty, security and territorial integrity’ became even

<sup>149</sup> ‘Kazakhstanskiy sammit stanet sobytiem goda’, *Nezavisimaya gazeta*, 4 July, 2005, at: [http://www.ng.ru/cis/2005-07-04/6\\_shos.html](http://www.ng.ru/cis/2005-07-04/6_shos.html).

<sup>150</sup> *RLA Novosti*, Bishkek, 16 August 2007.

<sup>151</sup> Trenin, ‘Russia and Central Asia: Interests, Policies, and Prospects’, p. 86.

<sup>152</sup> See SCO homepage at <http://www.sectesco.org/home.asp?LanguageID=2> for ‘The Charter of Shanghai Cooperation Organisation’, and other documents.

<sup>153</sup> See ‘Declaration of Heads of Member States of Shanghai Cooperation Organization’, 5 July 2005, point 2, and Bishkek Declaration 16 August 2007. English translations available at SCO home page <http://www.sectesco.org/home.asp?LanguageID=2>



more explicit in the 2006 Declaration on the Fifth Anniversary of the SCO and was repeated in the 2007 Bishkek Declaration.<sup>154</sup>

The normative convergence outlined in the basic documents of the SCO has manifested itself also in concrete practices. If the documents fail to mention anything about democracy and human rights, the SCO has served as a vehicle for member-states to applaud their holding of elections. SCO electoral missions have consequently countered OSCE/ODHIR statements that elections have not been fair and rather boosted the 'legitimacy' of these elections. After having blocked the pre-electoral OSCE observer mission to monitor Russia's 2007 parliamentary elections, Russia was backed by solidarity declarations from CIS and SCO observers who claimed the elections to have been 'free and legitimate' – without specifying how they defined the term 'legitimate'.<sup>155</sup> Moreover, as Uzbekistan prepared to hold presidential elections in December 2007, CIS and SCO observers claimed that there were 'no violations' in the electoral struggle, while overlooking the obvious facts of uneven distribution of power and media coverage throughout the campaign.<sup>156</sup> The presidential elections in Kazakhstan in August 2007 also replicated the ceremonial 'free and legitimate' statements from SCO observers, with vague suggestions that also the OSCE was satisfied.<sup>157</sup> In sum, apart from rubber-stamping the persistence of super-presidential political systems and the gradual slide of constitutional amendments towards unchecked presidential powers,<sup>158</sup> the SCO statements also introduced the variable of 'legitimacy' a kind of talisman, rendering the holding of elections as 'legitimate' with reference to the normative specificity of a 'democratic international order'.

The net effect of this policy has been to bestow on authoritarian regimes a halo of legitimacy, thereby reducing the attraction of US influence. *Uzbekistan's* break with the USA in 2005 and subsequent realignment with Russia provides the clearest example of how decisive the 'fit' between norms guiding the Central Asian regimes and those adhered to by Russia and China has been. While Uzbekistan sought to break with the USA because of democracy and human rights demands, it was drawn towards Russia and the SCO by explicit rejection of such demands by Russia and China. When troops fired at anti-government protesters during the Andijan events it was described and criticized by the USA as a massacre and a human rights problem, while the SCO described it as an 'anti-terrorist operation'. During the SCO summit in Shanghai in June

<sup>154</sup> Available in English at <http://www.sectSCO.org/home.asp?LanguageID=2> point 2 and 3.

<sup>155</sup> Nablyudateli ShOS: Vyборы v Dumu proshli svobodno i legitimno', *Nezavisimaya gazeta*, 3 December 2007, at: <http://news.ng.ru/2007/12/03/1196701078.html>

<sup>156</sup> 'Chetyre kandidata i odin pobeditel', *Nezavisimaya gazeta*, 21 December, 2007, at: [http://www.ng.ru/cis/2007-12-21/7\\_uzbekistan.html](http://www.ng.ru/cis/2007-12-21/7_uzbekistan.html)

<sup>157</sup> 'Post-sovetskiy tranzit', *Nezavisimaya gazeta*, 22 August 2007, at: [http://www.ng.ru/cis/2007-08-22/6\\_transit.html](http://www.ng.ru/cis/2007-08-22/6_transit.html)

<sup>158</sup> For an outstanding comparative study of the expansion of presidential powers in the post-Soviet space, see Timothy Frye, 'Presidents, Parliaments, and Democracy: Insights from the Post-Communist World', in Andrew Reynolds (ed), *The Architecture of Democracy: Constitutional Design, Conflict Management, and Democracy* (Oxford: Oxford University Press, 2002), pp. 81–103.

2006 Putin also claimed that US behaviour in Uzbekistan was that of a 'bull in a China shop' and that the USA was seeking to impose outside democratic standards on a volatile region plagued by Islamic radicalism. He urged the USA to treat Uzbekistan with care and said that 'we do not want the same situation to emerge in Uzbekistan, like that in Afghanistan'.<sup>159</sup>

The Tulip Revolution in *Kyrgyzstan* in 2005 sounded alarm bells in Moscow and in Beijing, raising the uncomfortable spectre of a Chinese popular uprising. A report by the Chinese President Hu Jintao, disseminated inside the party, outlined a series of measures aimed at nipping a potential Chinese 'colour revolution' in the bud. Measures included a crackdown on NGOs (particularly those with a human rights and democracy agenda sponsored from the West), stopping their registration, freezing their activities and using security agencies and forces to target them.<sup>160</sup> As soon as revolution ebbed out and it became clear that *Kyrgyzstan* would not choose the 'Western path' after all, Washington's normative demands were increasingly used by Beijing and Moscow as an argument for ousting the US base at Manas. Moreover, *Kyrgyz* rhetoric during 2007 has suggested that the US presence is increasingly unpopular both with *Kyrgyz* authorities and the public.<sup>161</sup> When *Kyrgyz* authorities in 2007 signalled that they would reconsider the bilateral agreement on the base at Manas, Colonel-General Leonid Ivashov pinpointed the advantage of Russia's and China's normative stand by stating: 'this issue has matured in society, and there are probably reasons for this. One of them may be active interference by Americans, of staff of the US embassy in *Kyrgyzstan* or foreign non-governmental organizations, in *Kyrgyzstan*'s internal affairs. Americans do this all over the world.'<sup>162</sup>

Thus, our claim is that the normative convergence which has emerged between Russia and China has not only informed the norms guiding the SCO, but has also been an asset in attracting the Central Asian states to the SCO and drawing them into partnership with Russia and China at the expense of the USA. Looking at great-power interaction in Central Asia it is fair to say that the normative convergence between the two countries has come in as a second layer strengthening their strategic partnership and empowering them to reach their common goals in the region.

One should not underestimate the significance of the SCO as an arena for developing the Russian–Chinese partnership and as a successful vehicle for limiting US influence in Central Asia. As Russian and Chinese regional influence grows in salience, their specific normative convergence also reduces the impact of the assumed 'attraction effect' of

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<sup>159</sup> *Itar-Tass*, Shanghai, 16 June 2006.

<sup>160</sup> William Engdahl, 'China lays down gauntlet in energy war', *Asia Times*, 21 December 2005.

<sup>161</sup> In May 2007 a *Kyrgyz* intelligence officer suggested that nuclear weapons for a possible attack on Iran could be stored at the Manas airbase without *Kyrgyz* authorities knowing of it ('US plans to attack Iran from Manas denied', *Eurasia Daily Monitor*, 8 May 2007.) Also public opinion against the United States continued to deteriorate. See 'Public anger against U.S. military base grows in *Kyrgyzstan*', *Eurasia Daily Monitor*, 17 May 2007.

<sup>162</sup> 'Manas agreement under review', *Eurasia Daily Monitor*, 30 May 2007.



the USA as it manifested itself in the Central Asian states' participation in US-initiated security webs in the mid-1990s. Yet, despite the general conclusion that Moscow and Beijing have been successful in regaining influence in Central Asia at the expense of Washington in recent years, the USA has sought ways to regain what was lost. On a general level, initiatives were taken to discourage China and Russia from entering into a closer relationship. The USA has also tried to strengthen cooperation with Japan and India, for example by launching joint business projects with these countries in Central Asia. The USA has even signalled that it is interested in observer status in the SCO.<sup>163</sup> Finally, Washington has taken initiatives to develop a new strategy towards Central Asia. The congressional hearing on 25–26 April 2006 fleshed out 'The Greater Central Asia strategy', addressing Central Asia as a region and not a cluster of single states.

Public diplomacy has been the cornerstone of Washington's re-entry policy. In October 2005 Condoleezza Rice visited Kazakhstan, Kyrgyzstan and Tajikistan, and Donald Rumsfeld followed up by visiting China and Kazakhstan. This was an indication that the USA, while having 'lost' Uzbekistan, was trying to compensate for this by strengthening its relations with other Central Asian countries, primarily Kazakhstan. This seems to have yielded results. Kazakhstan in January 2006 signed an Individual Partnership Action Plan with NATO. In May 2006 Dick Cheney paid a visit to Kazakhstan, 'a good friend and important strategic partner', as he termed it. The trip resulted in a cooperative agreement on preventing the illegal movement of nuclear material and a memorandum on mutual understanding on economic development. Press accounts noted that Cheney toned down the US criticism of political developments in Kazakhstan during the visit.<sup>164</sup> While in Washington in September 2006, Nazarbayev indicated that Kazakhstan sought a 'strategic partnership' with the USA.<sup>165</sup> US investment in the Kazakh economy reached USD 1.5 billion in 2006. All this indicates that fresh money and a toning down of democracy and human rights demands could put Washington in a better position towards the Central Asian countries.

The case of Turkmenistan seems to illustrate the same point. US relations with Ashgabad have improved following the death of President Niyazov and the subsequent 'political thaw'. During 2007 there were frequent visits to Turkmenistan by US delegations.<sup>166</sup> According to Malashenko, Washington has practically stopped criticizing the Turkmen leadership for violating human rights and crushing basic freedoms,<sup>167</sup> something which clearly enhances US chances of establishing strategic

<sup>163</sup> Ariel Cohen, 'United States goes on geopolitical counter-offensive in Central Asia', *Eurasianet.org*, 21 October 2005.

<sup>164</sup> Marat Yermukanov, 'Cheney's visit leaves Astana facing new dilemma in multi-vector policy', *Eurasia Daily Monitor*, 8 May 2006.

<sup>165</sup> Kazakhstan has already sent a small group of 27 troops (KAZBAT) to carry out humanitarian activities in Iraq.

<sup>166</sup> According to *RIA-Novosti* (19 October) there had been nearly 20 US delegations in Turkmenistan by October.

<sup>167</sup> Aleksei Malashenko, 'Russia and Turkmenistan', *Russian Analytical Digest*, no. 29, 16 October 2007, p.4.

and economic ties with that country. President Berdymukhamedov during his visit to the USA in September 2007 clearly signalled an interest in increasing US investments, and stated that he guaranteed the implementation of all the gas pipeline projects, not only the ones with China and Russia, but also the American sponsored trans-Caspian project. During the visit broad agreement was reached on energy cooperation, sustainable development and security.<sup>168</sup> This development suggests that Russia and China could lose their upper hand in Central Asia if Washington decides to drop its normative demands.<sup>169</sup>

As for Tajikistan and Turkmenistan, they have not been priorities for the USA. The Tajiks signed up for Partnership for Peace in 2002, but the preference among Tajik military personnel has been close and cooperative relations to Russia. Still, between 2005 and 2007 Washington allocated around USD 40 million to support the enhancement of border security in Tajikistan.<sup>170</sup> The USA has also flagged a soft-security agenda in evoking an alliance of Central Asian countries against drug trafficking. Russia's response was to try to rebuff any notion of an alternative regional alliance. When legislators from SCO gathered in Moscow in May 2006, the State Duma Speaker said that Russia does not want any organizations parallel to the SCO emerging in the region and he added that this was a US attempt to establish an alliance of Central Asian countries against drug trafficking. Drug trafficking was presented as one of the top priorities of the SCO, but Russia seemed less keen to see these efforts as compatible, thus confirming the traditional zero-sum view on international relations.

On the other hand, Washington may still have considerable options in Central Asia. Eugene B. Rumer has noted that the USA is situated at distance from the region and does not have any imperial past or deeply 'vested interests' in the region.<sup>171</sup> This enables it to pursue a more flexible response to developments in Central Asia, which does not seem to be the case with Russia and China. Moreover, the propensity of both Beijing and Moscow to think in terms of zero-sum games indicates that frictions between China and Russia might emerge in Central Asia, their mutual self-appraisal of the SCO notwithstanding. This can in the longer perspective mute the SCO as an effective tool to counter US influence in Central Asia and is the topic of the last section in this report.

#### **Brewing Competition? China and Russia in Central Asia after 2004.**

As of today the style of SCO military exercises which resemble that of Warsaw pact exercises and also SCO rhetoric which increasingly addresses 'hard' defense issues, seem to indicate that the SCO could develop into a more traditional defence bloc – one manifesting and substantiating

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<sup>168</sup> 'Turkmenistan ponders partnership with Washington', *Eurasia Daily Monitor*, 3 October 2007.

<sup>169</sup> This argument is explored in the recent publication Eugene B. Rumer, 'The United States and Central Asia: In Search of a Strategy', in Rumer et al., *Central Asia: Views from Washington, Moscow and Beijing*, pp. 18–74.

<sup>170</sup> 'Tajikistan restates its strategic partnership with Russia', *Eurasia Daily Monitor*, 25 April 2007.

<sup>171</sup> Rumer, 'United States and Central Asia'.

the Chinese–Russian strategic partnership. However, one should not forget that initially it was not intended that the SCO would become a military alliance in the traditional sense and the SCO has *not* formulated any military assistance article. As Alyson Bailes notes, it would be impossible to imagine Russia guaranteeing China’s entire territory against attack or vice versa and there has never been talk of anything such as a joint ‘headquarters’ group of military commanders.<sup>172</sup> Positive military cooperation within SCO has so far actually been limited and there are no multilateral military or police units.

Moreover, Russia and China seem to have diverging visions and ambitions for the SCO, something which clearly limits the prospects of the SCO developing into a military bloc and could become a problem in the Chinese–Russian partnership. Russia seems to attach more significance to the military dimension of the cooperation, while China rather seeks to address economic needs through the SCO and seeks accordingly to enhance the economic dimension (see latter half of this section, from p.38.).

In 2005, Russian Minister of Defence, Sergey Ivanov, stated that there were prospects for military Chinese–Russian cooperation within the SCO. Stressing exactly the dimension of norms in international relations, Ivanov stated that China and Russia would hold ‘joint military exercises that would bring concrete results’, but adding that this would not result in the creation of a ‘military bloc’.<sup>173</sup> Since 2006, Russia has sought to underpin multilateral security cooperation within the SCO by giving weight to transnational threats, but without giving SCO the character of being a ‘transnational’ organization – i.e. one that challenges the members’ sovereignty.<sup>174</sup> Notably, this intensified in 2007, when Sergey Ivanov, in April pressed for closer military cooperation within the SCO.<sup>175</sup> During the Bishkek summit Putin confirmed this Russian ambition and again suggested that the member states should increase cooperation on security matters. *Nezavisimaya gazeta* noted that the part of the agenda for the summit focusing on security issues was clearly drawn up by Russia.<sup>176</sup> Russia has also handed over a concept paper to underpin suggestions of increased cooperation on security matters.

China’s response to this initiative has been lukewarm. As of August 2007, Russia’s Head of the General Staff, Yury Baluyevskii prompted China to respond to the concept paper on military cooperation. China’s Ambassador to Russia did not appear to give any reasons for China’s lack of response other than by underlining the openness and the non-confrontational character of the SCO.<sup>177</sup> Moreover, when the ‘Peace

<sup>172</sup> Bailes, Dunay, Pan Guang & Troitskiy, ‘The Shanghai Cooperation Organization’, p. 22.

<sup>173</sup> ‘Ivanov:RF budet ukrepyat’ voennoe sotrudnichestvo s Kitaiem’, *Nezavisimaya gazeta*, 6 September 2005, at: <http://news.ng.ru/2005/09/06/1126004209.html>

<sup>174</sup> Ibid. p. 6.

<sup>175</sup> ‘Shangkhaiskiy dogovor vmesto Varshavskogo’, *Nezavisimaya gazeta*, 10 August 2007, at: [http://www.ng.ru/politics/2007-08-10/1\\_dogovor.html](http://www.ng.ru/politics/2007-08-10/1_dogovor.html)

<sup>176</sup> ‘China is edging Russia out of Asia’, *Nezavisimaya gazeta*, 16 August 2007.

<sup>177</sup> ‘V mire: Lyu Gouchan otvechaet Yuliyu Baluevskomu’ *Nezavisimaya gazeta*, 13 August 2007, at: [http://www.ng.ru/week/2007-08-13/11\\_vmire.html](http://www.ng.ru/week/2007-08-13/11_vmire.html)

Mission 2007<sup>7</sup> was launched by Head of General Staff Baluyevskii, it was proposed as a joint military exercise combining SCO activities with CSTO activities. China refused this,<sup>178</sup> and Russian proposals to formalize the relationship between the CSTO and the SCO were left unattended by Beijing.<sup>179</sup> Thus, it seems that China actually is quite apprehensive about strengthening military ties within the SCO, while this seems to be Russia's first priority.

It also seems reasonable to question how far even Russia's ambitions for enhancing military ties within the SCO actually go. As already noted Russia has shown a dislike of institutionalization and of giving the SCO any supranational powers.<sup>180</sup> Also on the Russian side there is still deep fear of and distrust in China's strategic ambitions and motives for cooperation in the military sphere. This was vividly demonstrated when Russian Generals in connections with the Peace Mission 2007 said that the Chinese presence in Russia 'was a test of communication and information support of a potential enemy of China'.<sup>181</sup> Such distrust will inevitably inhibit closer military cooperation.

Russian rhetoric and initiatives towards the Central Asian states both within the CSTO frame, where China is not a member, and bilaterally also gives reason to question whether Russia is aiming to make the SCO a primary security guarantor in the region. The fact that the CSTO is frequently underlined as more close to Russian security priorities and, unlike the SCO, is seen by Russia as a traditional defence arrangement, validates some critical reflections around how it potentially could influence upon Russia–Chinese relations in Central Asia. Whilst early analyses of Russia's role has suggested that Russia does not seek to be a military power in the region,<sup>182</sup> the gradual and incremental refocus on the CSTO may be a harbinger of more solid ambitions. The CSTO has been revived from the debris of the Russian economic collapse in the 1990s to stand out as one of the more effective ways to combat the security challenges of the 21<sup>st</sup> century in the post-Soviet space – at least according to Russia's statements and ambitions. Russia's attempts to balance the USA focused on the CIS during the 1990s and later on CSTO. Despite the failure of making these into copies of Western groups such as NATO as Russia intended, a CSTO joint military exercise was held in August 2006 in Kazakhstan on the Caspian shore and engaged 2500 troops from Russia, Kazakhstan, Kyrgyzstan and Tajikistan.

Since Russia took over chairmanship of the CSTO Council after Kazakhstan in 2005, the focus of the organization has been more on interstate security. The Astana summit in Kazakhstan replicated a com-

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<sup>178</sup> *The Moscow Times*, 16 August 2007.

<sup>179</sup> 'Poka ne srastayutsya', *Nezavisimoye voennoye obozrenie*, 13 April 2007, at: [http://nvo.ng.ru/wars/2007-04-13/2\\_odkb.html](http://nvo.ng.ru/wars/2007-04-13/2_odkb.html)

<sup>180</sup> This conclusion was also drawn by Alyson Bailes (See Bailes et al. 'The Shanghai Cooperation Organization', p. 6.)

<sup>181</sup> 'Russian Radio Pundits Discuss Role of Shanghai Group, Relations with China', *BBC Monitoring*, derived from *Johnson's Russia List*, 20 August, 2007.

<sup>182</sup> See for instance Boris Rumer, 'The Powers in Central Asia', *Survival*, vol. 44, no. 3, 2002, pp. 57–68.

mon stance on Russia's OSCE policies and the importance to fight international terrorism within the SCO and the CSTO. Moreover, the agenda for 2006 stipulated the adoption of a plan for forming a more sound collective security system within the member states, and also the adoption of a framework for military-technical cooperation.<sup>183</sup> In the official MFA information sheet on the CSTO, it is suggested, however, that the CSTO 'will face a transformation from a military-political bloc towards a universal international organization, capable of reacting against regional security threats' [sic].

The CSTO has also been reinforced by several assisting structures and processes that suggest a strong centripetal force within the organization, with Russia at its core. The CSTO signatories have formed a coherent group within the OSCE, have coordinated their positions on the CFE Treaty, which Russia then again froze in 2007, and have started procedures that indicate that the in-states will associate with each other even more strongly. In 2006, the Minsk meeting between the signatory states' Security Council Secretaries formed a working group of parliamentarians and experts to produce advice for the harmonization of the national legislation relevant for the CSTO – i.e. security legislation. Moreover, in November 2006 the CSTO also set up its own parliamentary assembly, a parallel to similar structures within NATO.<sup>184</sup>

In fact, the Russian course suggests that for Russia, security would best be facilitated by the CSTO, and not by the SCO. Minister of Foreign Affairs, Sergey Lavrov, stated in 2005 that the SCO was 'not planning to create military rapid reaction structures' similar to those of the CSTO. Moreover, Lavrov also stressed that although the SCO organization would enhance intelligence cooperation against terrorism, the SCO would not embark on any actions that would jeopardize member-state sovereignty – meaning cross-border action on the territory of member-states to cope with emergency situations.<sup>185</sup> Thus, both China's and Russia's insistence on 'state sovereignty' and 'non-interference', central components of their normative convergence, clearly limits the prospects for further military integration within a declared multilateral organization such as SCO.

Judging not only by rhetoric but also by the track record of initiatives towards the individual Central Asian states these last few years, Russia does not primarily expand its influence in Central Asia through the SCO, but conducts its most serious business bilaterally and tries to promote CSTO as the primary vehicle for security cooperation in Central Asia. Even if the SCO was used to pull *Uzbekistan* out of the US orbit after the Andijan events, Uzbekistan was first and foremost drawn into a stronger bilateral relation with Russia and into the CSTO, not the SCO. In 2005,

<sup>183</sup> Vladimir Putin na blizhayshchiiy god vozglavit sovet ODKB', *Nezavisimaya gazeta*, 23 June, 2005, at: <http://news.ng.ru/2005/06/23/1119531832.html>

<sup>184</sup> 'Organizatsiya dogovora o kollektivnoy bezopasnosti', 26 December 2007, at: <http://www.mid.ru/Ns-rsng.nsf/arh/6DC0CFAB8620256C43256DF600325656?Open> last accessed 4 January 2008.

<sup>185</sup> 'Lavrov: ShoS ne planiruet sozdavat' voennuyu struktury', *Nezavisimaya gazeta*, 6 June, 2005, at: <http://news.ng.ru/2005/06/06/1118043083.html>

the Russian press sought to beef up the CSTO to become a 'Eurasian – 7' of the 'Union of 6'.<sup>186</sup> Speculations held that the Uzbeks would provide a base in exchange for favourable conditions in bilateral trade with Russia and also the incentives provided by the CSTO framework.<sup>187</sup> At the same time as Uzbekistan demanded the closure of the US Karshi-Khanabad airbase, a memorandum on military cooperation was signed between Moscow and Tashkent and a few months later in November 2005 an alliance treaty between Russia and Uzbekistan was signed. On 9 May 2006 Karimov told journalists in Tashkent that Uzbekistan's alliance with Russia 'guaranteed peace and stability in the region'.<sup>188</sup> In March 2006 Uzbekistan also joined the EEC and a bilateral deal was signed in which Russia assured Uzbekistan that it would intervene if the Uzbek regime faced domestic or foreign threat. Finally, in June 2006 Uzbekistan restored its active membership in CSTO. As a member of CSTO, Uzbekistan can buy weapons at Russian domestic purchase prices and also educate military officers in Russia's higher military education schools (44 in all).<sup>189</sup> Notably, Trenin also refers to Russian policies towards Uzbekistan as a 'true triumph'.<sup>190</sup>

Russia's influence on *Kyrgyzstan* has apparently been limited by both the US presence and Chinese interests in closer energy cooperation with Kyrgyzstan. Nevertheless, when we take a closer look, Russia's bilateral strategic relationship with Kyrgyzstan has in fact been strengthened in the last few years. When Russian Defence Minister Sergei Ivanov inspected the Kant airbase in September 2005 he clearly stated that Kant, as organic to the CSTO's Rapid Deployment Force, was a 'long-term project' and that Russia had 'long-term development plans' for the base. That year a supplemental sum of USD 4.5 million was allocated in the Russian budget to develop Kant and Russia also donated USD 3 million worth of military equipment to Kyrgyzstan. Despite the apparent backtracking by both Moscow and Bishkek on the demand that the US base at Manas be shut down, instead the USA was asked to increase rent payments and fees for using the base, Prime Minister Felix Kulov stated that 'Russia is our number one priority for international cooperation'.<sup>191</sup>

In summer 2006 the Kyrgyz Ministry of Foreign Affairs expelled two US diplomats for their alleged involvement in Kyrgyz domestic affairs. This act was interpreted as an attempt to please Russia before the G8 summit in St. Petersburg. When President Bakiyev in May 2007 announced that a commission had been formed to review the bilateral agreement concerning the American base, he at the same time announced that 'practical steps will be taken to reinforce Kyrgyzstan's armed forces and

<sup>186</sup> 'Sozdaetsya evraziyskaya semerka', *Nezavisimoe voennoe obozrenie*, 28 October 2005, at: [http://nvo.ng.ru/wars/2005-10-28/1\\_7ka.html](http://nvo.ng.ru/wars/2005-10-28/1_7ka.html)

<sup>187</sup> 'Vozvrashchenie bludnogo Uzbekistana', *Nezavisimaya gazeta*, 15 September 2006, at: [http://nvo.ng.ru/forces/2006-09-15/3\\_theretum.html](http://nvo.ng.ru/forces/2006-09-15/3_theretum.html)

<sup>188</sup> *Interfax*, 9 May 2006.

<sup>189</sup> 'Sergey Ivanov oblozhil kolleg-ministrov l'gotami', *Nezavisimoe voennoe obozrenie*, 9 December 2005, at: [http://nvo.ng.ru/forces/2005-12-09/1\\_ivanov.html](http://nvo.ng.ru/forces/2005-12-09/1_ivanov.html)

<sup>190</sup> Trenin, 'Russia and Central Asia: Interests, Policies, and Prospects', p. 122.

<sup>191</sup> Quotes and facts from 'Kyrgyzstan content to host Russian and American air bases', *Eurasia Daily Monitor*, 22 September 2005.



special units, which are part of the Collective Rapid Deployment Force in the Central Asian region. This will enable us to work more efficiently in strengthening the security of the CSTO in the nearest future'.<sup>192</sup> In 2007, the personnel at the Kant airbase were reinforced by 50%, reaching the number of 1,250.<sup>193</sup>

Even if China generally seems to accept Russian predominance in Kyrgyzstan in the military sphere there have been signs of a brewing competition between China and Russia on military bases. Andrey Kokoshin, the chairman of the CIS committee in the Duma, first mentioned the idea of a Russian base in Osh (Kyrgyzstan) in May 2005.<sup>194</sup> China responded to this by suggesting that it was lobbying Kyrgyzstan on establishing a military base at the same site.<sup>195</sup> Russia has been increasingly apprehensive about this, a fact supported by Dmitri Trenin.<sup>196</sup>

Although *Kazakhstan* has tried hard to protect its independence by cleverly balancing the influence of the great powers, the trend had been a reorientation in Kazakh security thinking and planning towards Russia. In 2006 the Kazakh Defence Minister Daniyal Akhmetov stated that the top priority in Kazakhstan's new defence doctrine was participation in the CSTO, although China and Russia remain Kazakhstan's strategic partners under the new doctrine, which also accorded 'serious attention to the strengthening and perfecting of cooperation with the United States and NATO'.<sup>197</sup> In practice Kazakhstan is also increasingly relying on Russia to secure its borders, despite Washington having channelled several million dollars into Kazakhstan's border security in recent years.<sup>198</sup> Kazakhstan is also increasingly seeking Russia's help to tackle Islamic extremism and drugs trafficking. This implies extensive sharing of intelligence between Russia and Kazakhstan.<sup>199</sup> By contrast, Kazakhstan did not even allow Chinese troops to travel across its territory to participate in the SCO Peace Mission 2007.<sup>200</sup>

As for *Tajikistan*, Defence Minister Colonel General Sherali Khayrulloev explicitly stated in March 2005 that Russia was Tajikistan's

<sup>192</sup> *Itar Tass* 24 May 2007.

<sup>193</sup> Moskva берет Bishkek na sodержanie', *Nezavisimaya gazeta*, 23 August 2007, at: [http://www.ng.ru/cis/2007-08-23/1\\_moscow.html](http://www.ng.ru/cis/2007-08-23/1_moscow.html)

<sup>194</sup> 'Armeyskoe bratstvo SNG dyshit na ladan', *Nezavisimoe voennoe obozrenie*, 27 May 2005, at: [http://nvo.ng.ru/wars/2005-05-27/2\\_cis.html](http://nvo.ng.ru/wars/2005-05-27/2_cis.html)

<sup>195</sup> 'Korotko', *Nezavisimoye voennoe obozrenie*, 3 June 2005, at: [http://nvo.ng.ru/forces/2005-06-03/1\\_news.html](http://nvo.ng.ru/forces/2005-06-03/1_news.html) and 'Kitai dumaet, chto delat' s Kirgiziyey', *Nezavisimaya gazeta*, 1 June 2005, at: [http://www.ng.ru/world/2005-06-01/1\\_china.html](http://www.ng.ru/world/2005-06-01/1_china.html)

<sup>196</sup> Trenin, 'Russia and Central Asia: Interests, Policies, and Prospects', p. 84.

<sup>197</sup> *FE/RL Newslines*, 24 April 2007

<sup>198</sup> Various cooperative security measures have sought to bring together the border services and, by definition, the intelligence agencies of Russia and Kazakhstan. From January 2008 procedures at checkpoints at the border will be carried out only once instead of the regular two-step procedure. Moscow has been upgrading its facilities near the shared border and Russia's federally targeted program for Urals Federal District envisages building more than 50 facilities on the border with Kazakhstan before 2010. Currently the regional border guard directorate of the FSB for the Urals Federal District covers nine Russian-Kazakh border checkpoints and more than 10 aerial checkpoints. (*Eurasia Daily Monitor*, 8 January 2008.)

<sup>199</sup> *Interfax*, Kazakhstan, 30 July 2007. On 30 June 2007 Russia and Kazakhstan signed an agreement to cooperate in combating the trade in Narcotics and Psychotropic substances (*Eurasia Daily Monitor*, 7 August 2007.)

<sup>200</sup> *RF/RL Newslines*, 16 August 2007.

most reliable military and security partner. ‘The Tajik armed forces have been set up due to Russia’s assistance and contribution. Military technical cooperation between our two countries is at a very high level today’, he said. He also assessed the opportunity of closer cooperation with NATO compared to cooperation with Russia by saying that ‘Soviet standards are no worse’.<sup>201</sup> This orientation has been reiterated several times since. In April 2007 the Minister of Foreign Affairs, Hamrokhon Zafiri, stated that ‘Russia was, is and will remain our strategic partner and ally. We have commitments to each other, and, on our part, we will strictly fulfil them’.<sup>202</sup>

Further factors suggest that the Central Asian countries have been drawn into the Russian security orbit in the last few years and not into a common Russian–Chinese orbit. The level of intelligence-sharing between Moscow and Beijing is limited, whereas it is growing between Moscow and the Central Asian capitals. There is also a substantially improved cooperation among their internal security agencies. All Central Asian countries dependent on Russia in arms trade, something which facilitates close military cooperation with Russia, but not necessarily with China. This might not necessarily be a problem for China. Indeed, Zhao argues that China is prone to accept a strong Russian military presence in Central Asia because this presence is not new, but has a historical precedence and because Russia as of today does not pose a strategic threat to China.<sup>203</sup> However, considering what seems to be an increasingly assertive Russian security policy, China’s growing ambitions as a world power and Central Asia’s position in Chinese security thinking, this might change, bringing in an element of competition between these two powers in Central Asia.

While Moscow, as we have argued, is focused on the strategic dimension of the SCO and on using this to balance Washington’s influence, one should not exaggerate the extent to which the motive of ousting the USA from Central Asia drives China’s engagement in the SCO. China seems to be as interested in using the SCO to promote economic cooperation. Energy is a major, if not *the* major Chinese interest in Central Asia, and China’s economy is its principal political and diplomatic resource in Central Asia.

From the outset, the SCO’s economic agenda has been pushed by China. At the 2006 summit economic cooperation within the SCO was a main theme for the first time – a new orientation that reflected Chinese interests. During the summit, the Chinese SCO General Secretary Zhang Deguang stated that the SCO would devote itself to further economic integration, and announced that the current goal is ‘the free flow of com-

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<sup>201</sup> Quoted in *Interfax*, Moscow, 29 March 2005. This statement was substantiated by the fact that Russian–Tajik joint combat training in both March and April 2005 was Russian-led and funded.

<sup>202</sup> Quoted in ‘Tajikistan restates its strategic partnership with Russia’, *Eurasia Daily Monitor*, 25 April 2007.

<sup>203</sup> Huasheng Zhao ‘Central Asia in China’s Diplomacy’, in Rumer et al., *Central Asia: views from Washington, Moscow and Beijing*.



modities, capital technology and services in the region within 20 years'.<sup>204</sup> Russia also argued that energy projects in the region should be developed within the SCO frame and offered its contribution, but the summit simultaneously revealed Russia's uneasiness over China's economic expansion into Central Asia with the SCO as a platform. The reason is that China is able to outbid Russia in this sphere, something the wording of the final communiqué revealed: China's USD 900 million credit fund for its Central Asian partners established in 2004 with no normative or political strings attached, a gesture that dwarfed not only US but also Russian economic diplomacy, was mentioned specifically, with the hope expressed that this source would 'help expand regional cooperation', with energy as the primary focus.<sup>205</sup>

Russia does not share China's ambitions for a free trade zone and for enhancing the SCO's central bureaucratic capacity in the economic field. A free trade zone within the SCO would obviously be in China's favour – not necessarily in Russia's.<sup>206</sup> In general, Russia seems to prefer to promote economic cooperation through the Eurasian Economic Community (EEC) where, apart from Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Belarus are members, and would rather have a free trade zone within EEC.<sup>207</sup>

The SCO and EEC signed a memorandum of understanding in Beijing on 8 May 2006. Pledging to boost energy ties, the two organizations agreed to work to upgrade pipelines and improve regional transport systems. Despite such attempts at harmonizing the efforts of the two organizations, competition in the investment and energy field may become a test case for the China–Russia relationship in the future. Russia has at least acknowledged this, by proposing to set up an energy forum within the SCO. These intentions were flagged by Putin at the SCO Shanghai summit in 2006, and were taken up again in November 2007. While the Russian government has not been very clear as to its intentions, the daily *Nezavisimaya gazeta* referred to the initiative as an attempt to 'collaborate in implementing joint projects, but also to divide the spheres of influence, and minimize the risks of conflicting interests between the state companies'.<sup>208</sup> This was underpinned by the visible discrepancy between the statement by Russia's new Prime Minister, Viktor Zubkov, that Russia would include SCO partners in planning the new Russian energy strategy towards 2030 and the realities on the

<sup>204</sup> Gulnoza Saidazimova, 'Beijing makes further inroads into Central Asia', *RFE/RL Features*, 21 June 2006.

<sup>205</sup> Although China has not been a major investment country its capacity and interest is growing. In 2004 China established a large credit fund of USD 900 million for its Central Asian partners in the SCO.

<sup>206</sup> There is common ground for a free economic zone that includes complementary Central Asian and Chinese economies: while the Russian and Central Asian economies are based mostly on natural resources and therefore make more natural competitors, China is strong on manufacturing and the production of consumer goods.

<sup>207</sup> The EEC announced in 2006 an ambition to establish a customs union between its member states, to be in place by the end of 2008. There have also been talks about establishing a hydropower consortium.

<sup>208</sup> 'Klubnaya karta ShOS', *Nezavisimaya gazeta*, 2 November 2007, at [http://www.ng.ru/cis/2007-11-02/100\\_shos.html](http://www.ng.ru/cis/2007-11-02/100_shos.html)

ground. Whether Russia would share already achieved spheres of influence was unclear. Propped up by Uzbekistan's joining the CSTO in 2006, Lukoil and Gazprom began queuing up for huge investments in Uzbekistan in 2008, with Lukoil investing USD 100 million in the exploration of a new field, and Gazprom investing another USD 105 million in geological gas surveys on the Ustyurt plateau.<sup>209</sup> The fact that a Chinese–Uzbek company had explored the same region from 2006 did not diminish the impression of intense competition.<sup>210</sup>

Also the case of Kazakhstan gives the impression that energy may become the most divisive issue in the Russian–Chinese relationship. Kazakhstan is by far China's largest partner in Central Asia. Trade between the two countries has been growing rapidly; China has had an increasing engagement in Kazakhstan's energy sector and recently also in other sectors.<sup>211</sup> Although the SCO has served as a useful platform for building this cooperation,<sup>212</sup> the bilateral relationship seems to be of greater importance in China's pursuit of its energy interests in Kazakhstan. High-level visits have been frequent in recent years and both countries confirm their intentions to intensify economic cooperation, particularly in the field of energy.<sup>213</sup>

Chinese companies are deeply involved in oil exploration and development in Kazakhstan. The Chinese National Petroleum Corporation (CNPC) obtained 60% of the Kazakh Aktiubinsk Oil and Gas already in 1997. In 2003 CNPC purchased further shares in Aktobe Munaigaz, thus possessing 85.42% of the stock of this company. The same year PetroChina Company Limited acquired full rights to develop the North Buzachi Oilfield.<sup>214</sup> In October 2005 CNPC managed to purchase PetroKazakhstan, an international company which has all its oil and gas fields and refineries located in Kazakhstan and an annual crude oil capacity that exceeds 7 million tons.<sup>215</sup> Interestingly, Russia's Lukoil also took part in the competition to buy PetroKazakhstan, but failed to win. Although Astana bought back 33% of the shares in PetroKazakhstan in 2006, China still holds key oilfields in Kazakhstan. According to Chinese sources, CNPC annually produces 13 million tons of oil in Kazakhstan.

<sup>209</sup> Ibid.

<sup>210</sup> In June 2006, on the eve of the SCO summit in Shanghai, China's National Petroleum Corporation reached a deal with Uzbekistan to invest USD 210 million in oil and gas exploration over the next five years. Also in June USD 50 million was allocated for a loan to improve Uzbekistan's irrigation system. *RFE/RL Newsline*, Endnote, 22 June 2006.

<sup>211</sup> Following a 2006 Kazakh–Chinese meeting it was agreed to establish a fund (USD 5 billion) to finance future joint projects, particularly in the field of infrastructure, telecommunications and metallurgy. 'Kitai na provode', *Nezavisimaya gazeta*, 22 January 2007. China has also signed a deal to build a hydropower station in Kazakhstan (*RFE/RL Newsline*, Endnote 22 June 2006) and recently the China National Nuclear Corporation and China Nuclear Guangdong Power Corporation purchased 49% of the shares in the Kazatomprom nuclear company. See Farkhad Sharip, 'European energy consumers likely to lose Kazakhstan battle to "Oriental Bloc"', *Eurasia Daily Monitor*, 4 December 2007.)

<sup>212</sup> 'China advances its interests in Central Asia through SCO', *Eurasia Daily Monitor*, 18 April 2005.

<sup>213</sup> 'Kitai na provode', *Nezavisimaya gazeta*, 22 January 2007.

<sup>214</sup> Huasheng Zhao, 'Central Asia in China's Diplomacy', p. 166 in Rumer et al. *Central Asia: views from Washington, Moscow and Beijing*.

<sup>215</sup> PetroKazakhstan was bought for USD 4.18 billion with a stake offered to KazMunaiGaz, the state-owned Kazakh company.

With the announcement in late 2007 that KazMunayGaz plans to sign a production-sharing agreement with CNPC regarding Darkhan oilfield in the eastern Caspian section of Kazakhstan, this figure is likely to increase.<sup>216</sup> Thus, if a decade earlier when Chevron became the lead oil contractor and operator in the Kazakh Tengiz oilfield, the USA had seemed set to become Kazakhstan's major foreign ally in energy exploration and development, today it is China that appears to be taking the lead.

In addition, the inauguration in December 2005 of the Atasu–Alashankou oil pipeline from Kazakhstan to northwest China undercut the geopolitical significance of the Washington-backed BTC oil pipeline.<sup>217</sup> With the announcement on 11 December 2005 of a start date in March 2008 for construction of the 750-km-long oil pipeline from Kenkiyak to Kumkol, supplementing the Atasu–Alashankou pipeline completed in the first phase, the second phase of the multistage Kazakh–Chinese pipeline project has become a reality.<sup>218</sup>



While this pipeline clearly represents competition for the USA, this may be the case for Russia as well. One could argue that the pipeline implies closer China–Kazakhstan–Russian energy cooperation. Indeed, China has asked Russian companies to help it fill the pipeline with oil, as only half the required amount would come from Kazakhstan, and Lukoil has decided to funnel crude through this pipeline to China. However, the

<sup>216</sup> Farkhad Sharip, 'China secures new access to Kazakh oil', *Eurasia Daily Monitor*, 21 December 2007.

<sup>217</sup> The construction of BTC was undertaken on the assumption that it would carry not only Baku oil, but also a major share of Kazakh oil from Tengiz and offshore Kashagan oil fields. With the new Kazakhstan–China pipeline, the oil flow from Kashagan would go east, not west. William Engdahl, 'China lays down gauntlet in energy war', *Asia Times*, 21 December 2005.

<sup>218</sup> The Chinese even offered to share the financial burden of the project on a parity basis to speed up the project, and there have been no political strings attached.

fact remains that the this pipeline significantly facilitates oil deliveries to China without crossing Russian territory, thereby posing a challenge to Russia's monopoly as transit country and purchaser of Central Asian oil.<sup>219</sup>

Judging by Russia's moves, Russia *does* perceive the pipeline as a challenge and seems to be stepping up its energy engagement in Kazakhstan in response to China's recent successes. In April 2006 Russia and Kazakhstan announced a major agreement on the transit of Caspian crude from Kazakhstan oilfields through Russia to Europe. They agreed to more than double deliveries via the Baku–Novorossiysk pipeline. President Nazarbayev acknowledged that the Russian vector in Kazakhstan's energy policy had been increased when he indicated that Kazakhstan was about to rely mainly on Russia in its crude-oil export strategy.<sup>220</sup> This was confirmed when Putin and Nazarbayev in May 2007 agreed to expand the existing oil pipeline carrying crude oil from Kazakhstan's Tengiz field to Novorossiysk and to open up for Kazakhstan's participation in the Russian-controlled oil pipeline running from Bulgaria's Black Sea port of Burgas to Alexandroupolis in northern Greece.<sup>221</sup>

China has in recent years also made successful forays into Kazakhstan's gas resources. To start out with, Russia has controlled Central Asia's gas exports by virtue of its control of the pipeline system stemming from Soviet times. Russia has an interest in keeping this position and also needs Central Asian gas to fulfil its export programme. Thus, the plans of China National Petroleum Company and KazMunayGas for completing a 1,338-km gas pipeline from the Kazakh–Uzbek border to Khoros in China by the end of 2009, which will have an annual capacity of 40 billion cubic meters,<sup>222</sup> has triggered unease in Russia and prompted Russian moves to establish control over Kazakh gas in response. Russia scored a major success on this account when a deal on building a gas pipeline running from Turkmenistan through Kazakhstan and into Russia's network of pipelines to Europe was made during Putin's May 2007 visit to Kazakhstan and Turkmenistan. Although there may still be uncertainties tied to the deal, it illustrates Russia's urge to maintain its quasi-monopolization of gas exports routed out of Kazakhstan.<sup>223</sup> Russia is also rushing ahead to build its own China-bound gas pipeline, the Altai gas pipeline.

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<sup>219</sup> Indeed, according to Russian experts, while Russian oil export to China fell in 2007, oil supplies to China from Kazakhstan have been enjoying rapid growth. This is largely facilitated by the rapid completion of the new oil pipeline from Kazakhstan to China ('Russian expert urges closer cooperation with China', *Interfax*, 4 January 2007.)

<sup>220</sup> See Sergei Blagov, 'Stung by Cheney's comments, Moscow plays energy card', *Eurasia Daily Monitor*, 11 May 2006.

<sup>221</sup> 'Russian, Central Asian leaders strike crucial natural gas pipeline deal', *AP*, 13 May 2007.

<sup>222</sup> Chinese Prime Minister Wen Jiabao apparently succeeded in laying the groundwork for finalizing this deal during his tour of Central Asia following the 2007 SCO summit in Tashkent. On this see John C.K. Daly, 'Kazakhstan moves further away from Russian domination', *Eurasia Daily Monitor*, 9 November 2007 and Farkhad Sharip, 'China secures new access to Kazakh oil', *Eurasia Daily Monitor*, 21 December 2007.

<sup>223</sup> 'Russian, Central Asian leaders strike crucial natural gas pipeline deal', *AP*, 13 May 2007.

In sum, China is now challenging if not outweighing not only the West but also Russia in Kazakhstan's current energy policy. This is in part a result of Nazarbayev's deliberate efforts to balance his country's energy policy,<sup>224</sup> but the strong drive behind this development clearly comes from China. Not only Kazakhstan, but also China has an interest in avoiding reliance on Russia. The growing Chinese–Kazakh cooperation might in a long-term perspective sideline Russia – or at least that it how it seems to be perceived in Moscow. Judging from the pattern of its actions in recent years, Russia is not likely to meet this Chinese challenge in the energy sector by stepping aside or launching cooperation. Rather, Russia seems set to compete.

*Kyrgyzstan*, a much smaller and weaker country, is of lesser significance for China in the energy sector. On the other hand, the two have a long mutual boundary, and convenient transport links have facilitated a flourishing border trade in recent years. This is likely to continue when the plans to build a new transnational roadway and railway are realized. China has also stepped up its investments in Kyrgyzstan. Significantly, in 2006 Chinese and Kyrgyz energy companies signed a protocol on long-term cooperation, and the Kyrgyz president invited Chinese electricity companies to join in the development and upgrading of Kyrgyzstan's power system.<sup>225</sup>

Again, increasing Chinese activity seems to unleash counter-moves from Russia to secure its position against China as a challenger – not attempts at cooperation. In August 2007 Russia announced that it would expand its investment profile in Kyrgyzstan. Behind the scene at the SCO summit in 2007, Putin pledged to Bakiyev that Russia intended to invest USD 2 billion in the Kyrgyz economy.<sup>226</sup> A very tangible result of Russia's new efforts was achieved when Kyrgyz Prime Minister Igor Chudinov on 28 January 2008 announced Bishkek's readiness to let Gazprom participate in the privatization of the country's largest gas transport company, Kyrgyzgaz, and also to create a joint Kyrgyz–Russian venture in geological surveying and the gas transport network. Russian interpretations have seen this success as fully in line with the idea of 'liberal imperialism',<sup>227</sup> and Gazprom's specific ambition to maximally expand its energy presence in Central Asia.<sup>228</sup>

Trade cooperation and economic ties between China and *Tajikistan* are still very limited. Russia has remained the most important partner in the economic sphere for this small Central Asian country. Indeed, bilateral economic ties experienced a revival in 2007, when bilateral trade

<sup>224</sup> On 15 December Nazarbayev in his address on Independence Day stressed that hydrocarbons would be exported 'in all four directions'. *Khabar TV*, 15 December 2007.

<sup>225</sup> In April 2005, the Chinese CAMC Company and the Chinese Export and Import Bank signed a contract for the construction of a new cement plant in Kyrgyzstan at the cost of 80 million USD. 'Beijing seeks partners for electricity deals', *Eurasia Daily Monitor*, 26 June 2006.

<sup>226</sup> 'Moskva берет Bishkek na sodержanie', *Nezavisimaya gazeta*, 23 August 2007, at: [http://www.ng.ru/cis/2007-08-23/1\\_moscow.html](http://www.ng.ru/cis/2007-08-23/1_moscow.html)

<sup>227</sup> The idea of a 'liberal imperialism' was launched in 2003 by RAO YeES head Anatoly Chubays and implies the gradual absorption of the economies of the CIS countries by Russian companies.

<sup>228</sup> Sergei Kulikov, 'Torzhestvo liberalnovo imperializma', *Nezavisimaya gazeta*, 29 January 2008.

reached approximately USD 700 million. In November 2007, the Russian government approved a draft federal law on ratification of a debt write-off agreement with Tajikistan.<sup>229</sup> Another link tying Tajikistan to Russia is the large number of Tajik migrants in Russia who send back substantial amounts of money to their home country.<sup>230</sup>

However, Tajikistan shares a border with China, and there are emerging signs of an increasing economic engagement from China's side also in Tajikistan. In March 2005, for example, the two signed a bilateral credit agreement worth USD 269 million, and in June 2006 China signed a deal for the construction of a highway in Tajikistan.<sup>231</sup> By 2007 China had invested more than USD 1 billion in the Tajik economy.<sup>232</sup> China has also indicated that it will contribute to build a hydroelectric power station on the Seravshan River.<sup>233</sup> Whether triggered by the new Chinese initiative or not, Russia has now sought to revive its energy projects in Tajikistan: in November 2007 Russia announced that it was prepared to complete the Rogun hydroelectric power plant. However, no agreement has been reached on Rogun, apparently because Russia wants to have a controlling interest, while Tajik authorities argue that they should have at least a 60% share.<sup>234</sup> This indicates that China's economic diplomacy, which seems to offer cooperation with much fewer strings attached and less of an urge to control than Russia, might prove more successful in increasing influence in the Central Asian countries. While Russia's position as the former regional hegemon is often considered an asset, the post-imperial complex which influences Russia's diplomacy might prove attractive to the small and newly independent states of Central Asia in the long run.

As an energy-rich state that finally seems to be stepping out of isolation and 'neutrality', *Turkmenistan* is a particularly interesting case for studying Russian–Chinese interaction in the energy field. In fact, China has not only had the ambition, but has also succeeded quite well in making inroads into Turkmenistan's energy sector in recent years. Turkmenistan's parliament adopted a resolution on ratifying a general agreement on a Turkmenistan–China gas pipeline project already in 2005.<sup>235</sup> President Saparmurat Niyazov in April 2006 signed an agreement with Hu Jintao in Beijing to realize the gas pipeline by 2009. China, to make its bid as energy partner attractive and to ensure that the deal would be honoured also after Niyazov's death, offered Turkmenistan long-term favourable credit loans, the first to be offered by any foreign country in many years. According to the agreement, gas will be delivered at lower prices than those offered by Russia to China. Efforts have

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<sup>229</sup> Sergei Blagov, 'Russia seeks to revive its energy projects in Tajikistan', *Eurasia Daily Monitor*, 3 December 2007.

<sup>230</sup> This, however, is also the most contentious issue in Tajik–Russian relations, because Russia does not want to secure equal rights for Tajik labor migrants to Russia.

<sup>231</sup> *RFE/RL Newsline*, Endnote 22 June 2006.

<sup>232</sup> *Itar-Tass*, 18 April 2007.

<sup>233</sup> 'Kitai na provode', *Nezavisimaya gazeta*, 22 January 2007.

<sup>234</sup> *Interfax*, 27 November 2007.

<sup>235</sup> 'China advances its interests in Central Asia through SCO', *Eurasia Daily Monitor*, 18 April 2005.

already been made at building the Turkmenistan–China gas pipeline, and it seems that the new Turkmen leadership is not going to back off from the deal with China. On 25 October 2007, President Berdymukhamedov announced that the construction of the pipeline would be an important factor in regional stability and development.<sup>236</sup>

Again we note that China's increasing energy engagement is perceived as a challenge by Russia and triggers competition rather than cooperation. Russia has made strong efforts to secure control over the export of Turkmen gas lately. The outcome of Putin's May 2007 visit to Kazakhstan and Turkmenistan was that Russia secured a tentative agreement on reconstructing the Caspian Coastal gas pipeline running from Turkmenistan through Kazakhstan and into Russia's network of pipelines to Europe and the Central Asia Centre pipeline, running from Turkmenistan via Uzbekistan and Kazakhstan to Russia. When asked whether others could join the new pipeline project, Putin answered a decisive 'No'.<sup>237</sup> On 12 December 2007 the draft agreement was finally signed. The agreement is a blow to US hopes of building a pipeline from Central Asia crossing under the Caspian Sea and avoiding Russia, but it could also have implications for the construction of the direct gas pipeline from Turkmenistan to China.

On the other hand, closer study of the process leading up to this new deal yields some conclusions that may temper the apparent Russian success. The signing of the deal was postponed several times because of disagreement on a range of economic issues, most notably Berdymukhamedov's disapproval of the high tariffs for gas transit through Russian territory. When agreement was finally reached, Russia had to pay a substantially higher price for Turkmen gas, and from 2009 market forces will determine the price level of Turkmen gas to Gazprom.<sup>238</sup> This indicates that Turkmenistan primarily wants to secure its national interests – and can afford to do so. The agreement is thus not a sign that Turkmenistan wants to become part of Russia's 'exclusive zone of influence.' Indeed, Astana has stressed that it agreed to the project solely on the basis of its own national interest, not because of 'requests from Russia'.<sup>239</sup> In the long run China, with its economic strength and its cautious economic diplomacy, will have as much chance of succeeding if Turkmenistan continues to develop a foreign policy that would appear to be taking shape as 'multi-vector'.<sup>240</sup>

<sup>236</sup> 'Russia struggles to finalize Caspian gas pipeline deal with Turkmenistan', *Eurasia Daily Monitor* 1 November 2007.

<sup>237</sup> 'Russian, Central Asian leaders strike crucial natural gas pipeline deal', *AP*, 13 May 2007.

<sup>238</sup> It was agreed to raise the price of Turkmen gas to Gazprom from USD 65 to 100 per thousand m<sup>3</sup> in 2006. The December agreement entails raising the price to 130 for the period January–June 2008 and to 150 for the remainder of that year. From 2009, market forces will determine the price level of Turkmen gas to Gazprom. *Interfax*, 13 December 2007.

<sup>239</sup> Aleksei Malashenko, 'Russia and Turkmenistan', *Russian Analytical Digest*, no. 29, 16 October 2007, p.3

<sup>240</sup> The multi-vector orientation is evident from Berdymukhamedov's clever positioning and bargaining over the gas pipelines, aimed at diversifying his country's energy partnerships in the wake of the leadership change.

Study of the dealing and wheeling of Russia and China in the Central Asian energy sector reveals clear indications that this could be turning into a competition. The latest developments seem to prove that China, with its economic weight and its ability to attract the Central Asian countries by offering advantageous economic programmes with no political strings attached, is strengthening its prospects for becoming the future economic hegemon in Central Asia. This clearly challenges Russia's perceptions of itself as the region's traditional hegemon, and triggers efforts to secure as much exclusive control as possible over Central Asia's energy sector.<sup>241</sup> Both China and (particularly) Russia primarily pursue their energy interests bilaterally – or, for the latter, through Russian-dominated multilateral mechanisms: not through their common multilateral mechanism, the SCO. With national interest, statism and zero-sum thinking at the helm in both countries, this is hardly surprising, and concessions cannot be expected. This illustrates the limits of their normative conversion as facilitating cooperation and partnership in the field of energy.

Moreover, the Central Asian states themselves are clearly afraid of the two big brothers becoming too strong and have an urge, and the big Central Asian states increasingly an ability, to secure *their* 'sovereignty'.<sup>242</sup> They are not passive objects. It is significant that Kazakhstan and increasingly Turkmenistan and perhaps even Uzbekistan seem to be learning how to play the great powers off against each other under the banner of a 'multi-vector foreign policy'. This can serve to increase competition and rivalry.

The budding competition may, with time, hamper the development of the SCO as the main vehicle for promoting the Russian–Chinese partnership. Aleksei Malashenko has noted that the possibility of Turkmen gas exports to China gives Russia mixed feelings about Turkmenistan's membership in the SCO, because membership would ease Turkmen–Chinese relations and create conditions for yet another gas pipeline that does not pass through Russia.<sup>243</sup> On the whole, Russia could prove increasingly unwilling to enhance the economic dimension of the SCO because that would provide China with new opportunities throughout Central Asia.

### Conclusions

This report has discussed the increasing strategic and normative divergence in US–Russia relations, and the ensuing convergence between China and Russia. Our argument is that the *common* script of China and Russia to balance US dominance has been the main success story of the

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<sup>241</sup> The difference between China's 'energy diplomacy', as more cautious, compromise-seeking and willing to overpay to keep good relations, and Russia's, more offensive and control-seeking, has been highlighted in case studies on how Russian and Chinese companies compete for control over Kazakh oilfields. See Kimberly Marten, 'Russian efforts to control Kazakhstan's oil: The Kumkol Case', *Post-Soviet Affairs*, vol. 23, no. 1, 2007, pp.18–37.

<sup>242</sup> Murat Auezov, former Kazakh ambassador to China, quoted in *RFE/RL Newsline*, Endnote 22 June 2006.

<sup>243</sup> Malashenko, 'Russia and Turkmenistan', p. 4.



multilateral efforts and has contributed to give these countries a new footing in Central Asia. We have also argued that the SCO retains a normative asset – that the orientation of the Central Asian states is changing, and that the Central Asian leaders have decided to throw their lot in with Russia and to some extent China because of a fear of ‘coloured’ revolutions. We have also underscored the effect of Chinese–Russian military exercises within the SCO frame as a signal in international relations that their combined forces may have a larger effect.

Russian and Chinese efforts to displace the USA in Central Asia have in part consisted in what Harsh V. Pant calls ‘soft balancing’: states balancing US influence by ‘entangling in a web of international institutional rules or ad-hoc diplomatic manoeuvres’.<sup>244</sup> Alyson Bailes and Pál Dunay concur with this, suggesting that the balance between soft security and military security is also a component within the SCO. In addition to being a ‘pact for regime survival: a pro-status quo and anti-terrorist organization’, the SCO balances Russian defensive motifs and Chinese ‘soft’ economic and cultural hegemony.<sup>245</sup> The findings in this report strengthen these claims. However, we also found reason to question the internal ‘glue’ in the SCO and in the Chinese–Russian partnership at large.

The Central Asian countries have recently been drawn into *Russia’s* security orbit, and not primarily into the common Russian–Chinese orbit. Our comparison between the SCO and the CSTO indicates that the degree of military and political integration is far more substantial within the CSTO than in the SCO. Although the two are generally predicated as ‘compatible’ multilateral organizations, and despite the signing of a memorandum of co-operation in October 2007, questions remain as to the relationship between these two multilateral constellations. In the larger sphere of international relations, a relationship between CSTO and SCO – even a memorandum of understanding – may entail a further strengthening of a regional anti-US and anti-globalization constellation around Central Asia. On the other hand, Russia’s grip on the security sectors of several Central Asian states, and the pull of Russian military equipment, may challenge China’s interests. In this perspective, the SCO could serve as a device for China to check Russia’s hegemonic position in the region. At any rate, mutual scepticism and apprehension between China and Russia seem to inhibit the transformation of the SCO into a supranational organization. Indeed, the propensity of both Beijing and Moscow to cherish the Westphalian concept of sovereignty, and also the fact that this is embedded in the SCO statutes, would indicate that traditional influence and leverage will be the major tool for keeping Central Asia in the web of the SCO. The potentials for any deeper integration seem bleak indeed.

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<sup>244</sup> Harsh V. Pant, ‘Feasibility of the Russia–China–India “Strategic Triangle”: Assessment of Theoretical and Empirical Issues’, *International Studies*, vol. 43, no. 1, 2006, p. 54.

<sup>245</sup> Bailes et al., ‘The Shanghai Cooperation Organization’, p. 9.

Moscow's policy of incrementally building up the CSTO and nurturing bilateral strategic ties with the individual Central Asian states may have put Russia in position to claim more of the military functions in Central Asia, while leaving China off the hook in terms of contributing to the military aspects of the cooperation. As China still benefits considerably from Russian arms trade, this might be in line with Chinese interests. As yet, Russia's increasing military presence in the region has not triggered Chinese expressions of alarm or any substantial counter-moves that would indicate strategic competition between these two powers in Central Asia. However, should Russia continue to pursue or even enhance the assertive and rather excluding strategy toward the Central Asian countries, it cannot be ruled out that this will unleash competition in an area where also China has key security concerns. Moreover, if today's rationale for the Russian–Chinese partnership is watered out by a further displacement of the USA in Central Asia, such a scenario will become even more probable.

The potential for competition between Russia and China in Central Asia is more evident in the economic sphere, where China seems to be growing increasingly dominant. Our conclusion is that China's growing energy engagement in the region is perceived as a challenge by Russia and has triggered counter-moves aimed at securing exclusive Russian control in this field, rather than cooperation. This is a pattern which reflects Moscow's new foreign policy strategy of using energy as a weapon to secure its national interests and defend its sovereignty. Thus, energy cooperation, which is often portrayed as a common interest that can enhance the prospects for a stronger Chinese–Russian partnership, might prove to be a divisive issue – at least when Central Asia is seen as a testing field.

In general, the study of Chinese–Russian interaction in Central Asia shows that there are likely to be limits to the future expansion of their partnership. These stem from the fact that the main rationale underpinning their strategic convergence today – that of opposing the USA – may lose its power if the USA actually gets displaced from the region. In such a setting, conflicting security and economic interests between China and Russia might come to the forefront. Finally, the nature of their normative convergence and the fact that it is mirrored in the Central Asian regimes can hardly be an asset in a situation of brewing competition.