

## The Growing Strategic Imbalance between China and Russia in Central Asia: Challenges and Opportunities

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### Abstract

*Central Asia's China growing interdependence and fading role of Russia has provoked contentious debates about the growing strategic imbalance in the region. The empirical data in this research paper demonstrates that the domestic, geostrategic and economic interests motivate the nature of China Central Asia and Russia Central Asia relationship. China's pragmatic approach for establishing a comprehensive regional policy based on multilateral as well as bilateral relationships in all spheres has given considerable leverage to China and an alternative to Russia which has not been able to evolve a comprehensive policy for the region despite its longstanding political, ethnic, cultural, economic and security relationship with Central Asia. Both powers have similar objectives but different approaches with quite a distinguishable outcome. This study is an effort to analyze the implications of growing interdependence between Chinese and Central Asian states for Russia in the absence of a coherent and comprehensive policy for the region.*

**Key Words:** China, Central Asia, Economy, Geo-strategy, Strategic Imbalance, Cross-Border Ethnic Issues

### Introduction

The importance of a regional strategy has increased in order to maintain power status at the international level. Otherwise, it causes strategic imbalance. Major powers give a lot of importance to their relationship with their neighbors and immediate regions. Central Asia is one such region where multiple powers exhibit their interests. It's the geostrategic location and rich energy resources that attracted the attention of outside powers like China, USA, Iran, Pakistan, and India. Among all these states, China has been the most successful power; its policy towards the region transformed the outlook of China Central Asia relations. It established itself as the closest partner for the development of the region. Central Asian states and China have been collaborating in every sphere whether its border management, security issues, ethnic issues, organizational cooperation, bilateral and multilateral trade. In other words, China's rapid inroads have outpaced Russian efforts to maintain its geographical influence. The Central Asian region has been a conflict-ridden region at the time of independence. A region confronting ethnic conflicts, border disputes, extremism, rampant corruption, and poverty struggled hard for survival. Russia, the most influential actor in the region, itself confronting the grueling economic and political transition, could not form a comprehensive policy for its former republics. Geostrategic location of the region, 7 million Russian residents, rich hydrocarbon resources and their Russian built pipeline system, and a huge sum of income in form of remittances by Central Asian immigrants in Russia lays the foundation of post-Soviet Russian standing in the region (The Economist, 2013). Formation of CSTO and the Eurasian Economic Union are examples of its struggle for this purpose, however, it has not produced meaningful results so far (Spechler & Spechler, 2013). And as

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the Sino central Asian relations are moving forward, relations between Central Asia and their previous master Russia constantly experiencing a downward trend. Though, they have never come out of the Russian sphere of influence.

In a Post-cold war era, Globalization has given impetus to interconnectedness as well as interdependence. Interdependence is a broad concept and alternatively used by different scholars (James, 2009). This research paper assumes that China and Central Asia are increasingly interconnected and depend on each other. While this interdependence and interconnectedness were already there between Central Asia and Russia. This paper attempts to present a comparative analysis of Chinese and Russian policies towards the region to investigate how respective policies of both regional powers swapped their strategic position. The growing inclination of Central Asia towards China has caused a great strategic imbalance in the region between two powers, who share the same dream with different ways and means to materialize (Blank & Kim, 2013). In regional and multilateral settings, where more than one big power is involved, increased mutual interdependence between one power and weaker states often cause strategic imbalance. This is peculiar in China Russia relations in Central Asia.

The question arises here that, how growing Central Asian inclination towards China has created a strategic imbalance in the region? And How Soviet-era ethnic bonds, political and economic clout along with Russian policy towards the region has responded to the Chinese challenge in Central Asia? In order to fully grasp this phenomenon of "strategic imbalance," it is important to comparatively analyze Central Asia's relationship with both states since independence.

### **Changing Dynamic of Regional Relations After the Cold War**

The contemporary Central Asian relations with China and Russia represent a true picture of changing dynamics of regional cooperation in the post-Soviet era. Russian and Chinese policy towards Central Asia can be clearly divided into two broad phases; from 1991 to the end of the 20<sup>th</sup> century, usually associated with the transition period. And early 21<sup>st</sup> century, marked by the real struggle to create influence in the region. These two phases can be studied under political, economic, geostrategic social and ethnic spheres of declining and rising influence.

As a former imperial master of the region, Russia emerged as the most influential state in the region in the post-cold war era. With strong ethnic ties, political clout, strategic leverage, and control of economic resources.

### **Russian Political Clout and China's Inroads in The Region**

Russia's Political Clout in the region makes it a strong force in the region. The fall of the Soviet Union could not change the political contours of the region as expected. Perhaps, Central Asia's political system has the strongest and longest impacts of Russian legacy (Huntington, 1999). Former Russian political elites continued to hold the reins of power in almost all five states for a long time. With a strong communist background, political and bureaucratic top-notch has been enjoying power in the region. Now Kazakhstan's president Nur Sultan Nazarbayev is the only president who has been ruling the country since independence. Uzbek President Islam Karimov died last year was the second longest-ruling leader. Central Asian political elites belong to the same cadre who resisted Gorbachev's reform process (Cummings, 2002). Hence, they continued to maintain strong connections in Moscow. This facilitated the successor regimes to establish an autocratic rule. However, all five republics experienced a somewhat different political scenario. With the passage of time authoritarianism strongly embedded in four republics, except Kyrgyzstan, who experienced a color revolution and a struggle for democratization in a more meaningful way than others. Despite this fact, it has not improved over a period of two and a half-decade. Rather, Central Asian Republics now vary in their affiliations with the Russian political system. Karimov of Uzbekistan was considered to be the most autocratic yet most apathetic towards Russia. It has followed a neutral policy, unlike other states (Stratfor, 2013). Uzbekistan's withdrawal from CSTO in 2012 is yet another example

of receding Russian influence in the region. In fact, every country varies in the degree of its association with Russia. Authoritative regimes of Central Asia have been drawing support from Russia since the beginning. Perhaps, this has been one of the strongest aspects of Russian relationship with these states in their first decade of independence when China was almost nonexistent in this context. Despite the fact, it could not lend any further strength to Russian ties with them.

China, realizing the delicate nature of its Central Asian neighborhood developed a pragmatic approach to address all issues in a true spirit of interdependence. Border management became a priority issue. An early border agreement was a great necessity to avoid the eruption of any conflict. concessionary approach to establishing a peaceful neighborhood and withdraw its claim for 22000 km, almost 22% area of the region and agreed to 3.5% of its claimed territory (Blank, 2011). This was the first instance of the realization of interdependence that transformed the behavior of both sides. Emanating from conflict resolution, they established a relationship based on mutual trust and complementary objectives. To formalize the relationship and provide a platform, they agreed to establish Shanghai Five in 1996. The basic purpose of this platform was to demarcate boundaries, enhance confidence-building measure and withdraw the standing armies from the border area. Thus, it was the first step toward mutual cooperation and interdependence, that's why this approach is also called Shanghai Spirit.

### **Ethno-Cultural Spheres: De-Russification of Central Asia**

Russian enjoys strong cultural and social influence in Central Asia. Russian has been the Lingua franca of the region. Since 1991, there has been a sharp decline in the number of Russian speakers in the region (Pavlenko, 2008). The Russian language was used as a tool of colonization during the Soviet era (Etkind, 2011). Moreover, there is a large number of Russian minorities in every country of the region, with the largest presence of 23.7% in Kazakhstan. Russian influence in both the domain is on the decline. The young generation is much aware of the importance of national language. There have been reports of protests staged in favor of local languages. Independence from the Soviet Union presented them with an opportunity to restore their own cultural identity (Tahir 2011). Another reason for this de-Russification is the gradual departure of ethnic Russians from Central Asia after 1991. However, Russians are still in a considerable amount of life in the region. Russia's assertiveness, especially in the case of Ukraine and Georgia, has caused anxiety in Central Asian republics. This has generated apprehensions for security in the region. The steady development of nationalism has begun causing a decline in Russian status.

On the other hand, China and Central Asia both quickly realized that Resolution to Ethnic and Security issues would lay the foundation of a stable relationship and minimize the threats for violence. As complex interdependence provides that states less likely to resort to violence if there exist alternate opportunities more beneficial economically and politically in the longer run. The impact of interdependence is greater than formal alliances (Gartzke, et al., 2001). Due to this realization, both China and Central Asian states tried to demarcate their borders peacefully and adopted a sensible approach towards the ethnic issue of Uighurs, extremism, and terrorism in their adjoining areas. This makes it evident that there is a correlation between interdependence and establishing peace.

### **Ethno-Cultural Issues and China-Central Asia Relations**

Historically, the western region of China particularly the Xinjiang region remains isolated from mainland China. Culturally and somehow politically it remains more integrated with Central Asia. There are various ethnic groups which are living on both side of borders like Uighur, Kazaks, and Uzbek, thus they have many commonalities (Bhattacharya, 2003). The disintegration of the USSR and the emergence of new Central Asian states encourage these ethnic groups in Xinjiang to resist against the central government. Initially, the Chinese government closed its border in order to limit the cross-border interaction among these groups. The liberalization of economy and openness to the world compel China to establish close cooperation with its western neighbors. In order to solve border issues and institutionalize the struggle against cross-border

terrorism, "Regional Counter-Terrorism Structure" was established under the auspices of SCO to deal with the menaces of extremism and terrorism (Xiaodong, 2012). Some prominent extremist groups such as the East and Islamic Movement of Uzbekistan and Turkestan Liberation Army are identified as a common serious threat to the regional security and stability. These threats and regional realities brought both sides together to enhance close cooperation in all sectors.

In Central Asia, a growing number of Confucius centers with a large number of Chinese learners demonstrate the growing importance of the Chinese language for economic opportunities. SCO also provides a platform for both sides to have close cooperation in all sector including cultural, education and counter-terrorism. By comparing these policies of China, we can analyze that at Russian influence has been gradually decreased while China increased its influence in all sectors.

### **Economic and Energy Matters as an Instrument of Strategic Dominance**

China faced many obstacles in establishing its economic contacts with the Central Asian states. Since 1949, the border between China and CARs (present days) remained closed for decades. At a time when Central Asia economy was completely integrated with Russia. In fact, China and Central Asian states structured their relationship in 3 phases. Their first concern after the demise of the Soviet Union was their border demarcation, border demilitarization, and prevention of conflict in the Uighur Region (Peyrouse, 2016). China's economic inroads in former Soviet republics can be analyzed at bilateral as well as multilateral and organizational.

In 1991, the lack of infrastructure was the biggest obstacle in the way of trade realizations. The resource-rich region was still dependent on Russia for energy trade (Fishelson, 2007). Trade between the two regions started in 1992 with the opening of a trade route between China and Kazakhstan. The trade relations grew at a slow pace and increased by 25 % only in the first decade. The initial trade amounted between \$350 to \$700 billion (Stronski & NG, 2018). This was the time when the Chinese economy was entering a crucial phase of its development. It was transforming itself as a buyer's economy rather than a selling economy. Its growing economy required energy and overproduction needed market and trade routes. On the other hand, Central Asian economies badly required capital for infrastructure development and exploration of energy resources. This laid the foundation of economic interdependence between China and the states of Central Asia in recent decades. Both realized that their mutual benefit lays in enhancing cooperation in economics and trade. They complement each other in terms of economic advantages. Both provide broad avenues for cooperation. China needed energy resources to feed its growing industry and Central Asian states required capital investment to develop infrastructure. The regional energy sector has been struggling with the aging pipeline infrastructure of the Soviet Union. The region has been a traditional sphere of Russian influence. All oil and gas pipeline routes used to flow north towards Russia and then onwards to major consumer countries of Europe. This situation was a real test for Central Asian states, who badly needed to diversify their export routes energy trade. Nevertheless, it was a great challenge for the Chinese government as well. Chinese endeavor changed the fortune of the regional states.

### **Bilateral and Multilateral Level Economic Relations Between China and Central Asia**

China realizes the potential benefit of gas imported from its near abroad and has started pouring a lot of investment in the oil and gas sector of the region. Central Asia region is now fulfilling almost half of China's gas requirements. China's investment in the energy sector of Central Asia has surpassed every other state. Regional states have been able to explore and exploit its natural gas resourcefully through this investment. Chinese firms are investing a huge sum in, building oil refineries and new gas pipelines across the region to satisfy its domestic demand, whilst it is committed to a win-win approach based on mutual benefits (Hart, 2016).

China along with Kazakhstan, Uzbekistan and Turkmenistan has initiated the construction of a 1,830 kilometers gas pipeline (CNPC, 2019). This proposed pipeline commencing at Gedaim, a city located at

the nexus of Kazakhstan, Turkmenistan and Uzbekistan, before entering Horgos in Uygur Autonomous Region of China's Xinjiang Province. The construction of this pipeline has greatly benefited both China and the three regional states. It has been a great success in diversifying Turkmenistan's gas export routes and reducing its dependence over Russian pipelines. Hence, China emerged as the biggest gas importer of Turkmen gas after the construction of this pipeline. According to a report published by BMI, China's growing energy demand has compelled it to depend more on imported natural gas and oil. Petr- China, which provides almost 71% of China's gas claims that China's gas imports have reached 44 billion cubic meters in 2016 (China Daily, 2016). It is playing a crucial role in meeting gas demands in China's industrial sector. Moreover, Kazakhstan and Uzbekistan are reaping the benefits of being transit states. With the construction of its second phase, its capacity is expected to reach 55 billion cubic meter of gas per annum. This amount of gas is equal to China's 20% of total gas consumption. Three parallel pipelines A, B, and C have been constructed initially. In 2013, China along with Uzbekistan, Kyrgyzstan, and Tajikistan has signed a multilateral agreement to build the D pipeline of this project with an additional 30 billion cubic meter gas capacity per year.

As far as oil export from the region is concerned, China proposed to construct a pipeline spreading over an area of 3000 km, originating from the Kazakh oil fields located in the Caspian basin, traveling all the way to China to satisfy its growing energy demand and huge industrial setup. This pipeline became operational in 2006 with a capacity of 10 million tons of oil annually (Hydrocarbon Technology, 2019). The entire pipeline infrastructure built by China serves another very important objective of providing a more secure land route to Central Asian energy resources.

China has made a phenomenal rise in the Central Asian energy sector since 2005, out of \$ 27.55 billion investment in Kazakhstan, China spent \$ 22 billion in just the energy sector. China has assumed a leading role in economic development including industry, energy and transportation sector of Kazakhstan. CNPC and KazMunai Gas have signed a deal worth US\$ 5 billion in 2005. In Kyrgyzstan, out of \$ 4.19 billion \$ 1.7 billion spent on the transportation sector which was crucial for Chinese trade across the region. In September 2013, China–Kyrgyzstan upgraded their relations to a strategic partnership level. China has made rapid progress and becomes the second-largest trade partner of Kyrgyzstan. In the words of a former Kyrgyz minister, “every small business in Kyrgyzstan is reliant on trade with China” (Pantucci & Lifan, 2013). Tajikistan's strategic location and the joint border with Xinjiang makes it a very important country for China despite a poor economy. During his official visit to China in 2012, President Rehmanov of Tajikistan signed ten new agreements with the Chinese counterpart for the development of poor infrastructure and hydro-power plants. In 2013, both countries upgraded their relationship to the strategic level in a joint communique of presidents (Ningzhu, 2013). Tajikistan received \$ 940 million during this period between 2005 and 2015. One-third of this investment was used on building transport infrastructure. China has made rapid inroads in Turkmenistan. The construction of the 1,830-km gas pipeline was completed in December 2009. Both have signed an agreement to increase the gas supply in 2011. China-Central Asia Gas pipeline, one of the largest pipelines of the world has been completed with an investment of US\$15.72 billion (Huang 2013). The expenditure over the energy sector exceeds all other sectors in all other regional states in Turkmenistan. A total of \$ 3.88 billion of Chinese investment in the energy sector comprises over 95% of total investment. As far as Uzbekistan is concerned, China has evolved as the biggest trading partner. Their bilateral trade has increased almost 20 times since 1992. Both countries established a strategic partnership in 2012 (Reuters, 2012). State Statistics Committee of Uzbekistan revealed that 357 Chinese companies have been operating in Uzbekistan. It has received a sum of \$2.38 billion. Approximately \$1 billion was spent on the energy sector and \$650 million over transportation facilities (American Enterprise Institute, 2019). Despite the recent slowdown in growth rate, China's import of oil remained an all-time high in the first quarter of 2016. Besides investing in pipelines, China has made great efforts in modernizing the industrial structure and developing its economy. Consequently, it has become the largest trade partner

and investor in the Central Asian region during the last 10 years. Its capital investment has increased manifolds.

**Table 1.** Growth in Chinese investment 2010-2016

S/N	Name	Investment 2010	Investment 2016
1	Kazakhstan	\$ 11.6 billion	\$ 27.55 billion
2	Kyrgyzstan	\$ 370 million	\$ 4.19 billion
3	Tajikistan	\$ 640 million	\$ 940 million
4	Turkmenistan	\$ 3.28 billion	\$ 3.88 billion
5	Uzbekistan	\$ 1.17 billion	\$ 2.38 billion

Source: (American Enterprise Institute, 2019).

This was the level of partnership between the newly independent Central Asian countries and their giant neighbor China between 2001 and 2016. It took their strategic partnership and regional interdependence to a new height, which resulted in the favor of both China and the states of Central Asia. Due to this unprecedented economic activity, China has been able to achieve a double-figures growth-rate and Central Asian states successfully developed their economy.

**Table 2.** Increase in GDP of Central Asian countries. (In Billion US\$)

S/N	Country	2001	2005	2010	2015
1	Kazakhstan	22.153	57.124	148.047	184.388
2	Kyrgyzstan	1.525	2.46	4.794	6.572
3	Tajikistan	1.081	2.312	5.642	7.853
4	Turkmenistan	3.535	8.104	22.583	35.855
5	Uzbekistan	11.401	14.308	39.333	66.733

Source: (World Bank, 2019).

Besides establishing bilateral economic relations, Central Asian states and China have enhanced their multilateral economic cooperation through organizational platforms like SCO. During the second half of the 1990s, they created a common platform for regional coordination and collective security through the formation of Shanghai five initially, which later became the Shanghai Cooperation Organization (Niquet, 2006). The next move on the Chinese part was to establish its role in the Central Asian market, which obviously required efforts from both sides. From the platform of SCO, such kind of efforts is evident for greater economic cooperation. The establishment of the Business Council and Energy Club focuses on to enhance dialogue and relationship among the financial and business institutions of member states. Such kind of developments shows the growing understanding and greater cooperation between China and CARs for economic and energy interdependence. The most important feature of the Chinese strategy has been creating a peaceful security environment to ensure uninterrupted economic activity. The policy of political non-interference in the domestic issue has been a Chinese priority foreign policy principle and a major reason for its growing strategic dominance in the poor countries of Africa and Asia (Jokela, 2009). It adopted the same approach in central Asia as well. Unlike the US and the west, China did not associate its economic assistance to democracy or human rights issues, or Russian bargaining for economic and security concessions.

## **One Belt One Road: China's New Silk Road Strategy and its Significance for Central Asia**

China's strategic interests have culminated in its New Silk Route strategy based on Belt and Road Initiative. One Belt One road strategy was officially launched by President Xi Jinping in late 2013 while addressing at Nazarbayev University in Kazakh Capital Astana (Hofman, 2015). Chinese President announced the establishment of a Fund for Silk Road Economic Belt across Eurasia (Government of China, 2015), with an objective to create connectivity between China and Europe through West Asia, Central Asia and the Caucasus region. An initial pledge of \$800 billion to \$1 trillion was made by China for approximately 900 projects covering 66 countries.



*Map 1- Belt & Road Initiative Map*  
Source: (Economist, 2018).

Central Asia has become the bottleneck for this momentous project. China has pledged almost 48 billion dollars with Central Asia under the project (Bessler, 2015). It provides another instance for the mutual interdependence among China and Central Asian states. A deep look into the project discloses the Chinese ambitious policy behind the project and its prospective benefits for the Central Asia region. Two of its six branches will cross the Central Asia region. Two major corridors of the Belt and Road will “The Eurasian land Bridge and Central Asia West Asia corridor” will connect China with Europe through Russia and its former republics across the region including Central Asia (HKTDC, 2015). This project would help in developing infrastructure and economic activity in the Central Asian region. However, it all depends on Chinese investment. On the other hand, China needs territorial access to materialize this dream project. Which is dependent on Central Asia.

### **Economic Opportunities and Challenges for Russia in Central Asia**

The biggest challenge Russia has to confront is the rising Chinese influence in Central Asia. Independence of these states in 1991 could not bring total economic independence for them due to the unanticipated disintegration of the Soviet Union. The common currency, dependence on the Russian banking system and transition from centralized to open market economy remained the most pressing challenges for them (Pomfret, 2006). It took many years to establish an economic system of their own. Russia used to dominate the strongest part of their economy, the energy sector. Later on, its own financial crisis and inadvertence exposed the whole former Soviet space for other influential economic actors in the region (Swanström, 2012). Russian interests revived in Central Asia after Putin's arrival as Russia's president. However, during the late 1990s, Russian detachment had already bought considerable damage to the Russian position in the region.

The dawn of the new century exacerbated the Russian challenges. China emerged as the biggest beneficiary in this situation. After sustaining the economic jolts of independence, Central Asian republics readily extended their bilateral relations beyond the Russian Federation. The biggest obstacle to the development of their economies was the lack of trade and transit infrastructure, especially for the energy sector, the biggest attraction of the region. China's entry into Central Asia proved to be the beginning of the Russian economic decline in the region. After initial successes in maintaining control of the energy sector, Russia gradually lost its position. Since the early 21<sup>st</sup> century, the Russian share in Central Asia's economy

is on a constant decline. China has come out as the biggest trading partner of three among five states of Central Asian.

When China was able to provide cheaper Looking at the top trading partners of all five Central Asian republics, Kazakhstan's largest trading partner is China holding 14% of total Kazakh trade. For Kyrgyzstan, China is the top import destination with 36% of total imports and Kazakhstan as the biggest exporting destination. Tajikistan is no exception here. China holds the largest trade partner position here with 51% of total Tajik imports. Russia occupies the 3<sup>rd</sup> position. The biggest presence of China is in Turkmenistan where 78% of the total exports are en route to China. For Uzbekistan, China is in the second position in terms of exports with a 21% share, and Russia at 5<sup>th</sup> position with a share of 9.7%. (Atlas Media, 2019). This is not a mere game of trading statistics. Central Asia markets are full of Chinese products. Even a small vendor's claim that there is no Russian product anymore in the markets (Brooke 2010). Chinese have penetrated in the economic life of the region enter and dominate the Economic crisis of 2008 provided China a much-awaited commodity then Russia with higher quality. Since then, No Russian effort could stop China and now its share in Central Asia is 10 to 15% higher than Russia (Swanström, 2011). Energy pipeline routes and arms are the two areas where Russia still dominates but facing tough competition from China and other regional actors. Energy pipeline routes and arms are the two areas where Russia still dominates but facing tough competition from China and other regional actors.

Though Russia is still the major energy supplier of Tajikistan and Kyrgyzstan, the two least developed states it yields guarantees in return for Russian troop's presence in these countries. It boosts skepticism about Russian commitments for regional development. With the growing Chinese role in the region, the Russian bargaining position has depleted considerably. A recent decision by Kyrgyzstan corroborates such an opinion when the Kyrgyz government revoked its five hydro-electric generation agreements with Russia replacing it with China (Lelik, 2016). Such a policy has greatly altered the strategic balance in favor of China.

Albeit, it has lost its economic dominance in the region, Russia's role in the regional security affairs is still stronger than China. And it still holds the control of major energy transit routes. Both powers realize that whoever controls the pipeline routes control the energy resources of the region. Chinese investment in this area has already caused alarm for Russians. Russia lacks a comprehensive regional economic policy. Russian economic activity mostly revolves around its close political allies in the region. The absence of a multilateral approach has been a great hindrance to the success of Organizations set up under Russian auspices. The Eurasian Economic Union is the biggest example of such an attitude. The Eurasian Economic Union was created in 2014 aiming at economic integration of the post-Soviet space. It was a modest attempt aimed at restoring Russian hegemony in its former region. However, it has failed to bring together all forces of the region. China's New Silk Route strategy and project under it provide a totally different scenario. China's policy of regional connectivity and integration is not focused on selected regional states like Russia in EEU. Both Eurasian Economic Union and Silk Route have a similar objective but different strategies and drastically opposite outcomes. economic integration of the post-Soviet space. It was a modest attempt aimed at restoring Russian hegemony in the region. However, it has failed to bring together all forces of the region. China's New Silk Route strategy and project under it provide a totally different scenario.

China's policy of regional connectivity and integration is not focused on selected regional states like Russia in EEU. Both Eurasian Economic Union and Silk Route have a similar objective but different strategies and drastically opposite outcomes. The divided spheres of influence have divided the strategic interests of the states of regional states between two powers. The strategic imbalance might result in a growing conflict of interest in Central Asia. In this scenario, the role of these five republics has become very important. And it primarily depends on their policies, how they keep a balance between them. The example of Kazakhstan is very important in this regard, who has successfully maintained a balanced approach between two giant neighbors. China, Russia, and Central Asian states must realize that their economic and security needs complement each other. If China and Russia, who claim to share geostrategic objectives and do not like to see the growing role of the US and west in the region, must realize this fact, they must avoid this imbalance



from turning into a more open rivalry. For this purpose, the growing economic interdependence would open more channels of cooperation. The role of the Belt and Road initiative is very important in this regard. The growing interconnectedness will further increase economic interdependence. The merger of the Eurasian Economic Union and BRI will enhance its possibility. The energy sector will play a pivotal in this scenario. The Central Asian states, Russia and China present a unique scenario where there are both energy-producing states and consuming nations. There is a strong possibility of creating a regional energy market. In this way, growing competition between the two powers in this region might be turned into a strong opportunity for regional development.

## **Conclusion**

The greater economic interdependence of China and Central Asia, on one hand, enhanced the level of cooperation in diverse fields while on the other hand as a result of this, Russia becomes a potential competitor of China in the region. Many geopolitical and socio-economic factors lay the foundation of China-Central Asia relations in recent decades. The geographic proximity of their territories and geographic constraints like being landlocked and having no access to the open Sea for trade further aided their mutual cooperation. Central Asia region is rich in natural resources. China provides essential capital for the development of energy trade infrastructure, which used to be an exclusive Russian sphere of influence previously. The growing cooperation at multiple levels and greater understanding for solving regional issues like counterterrorism and separatisms provide the opportunity for both sides to further strengthen their relationship. Russian is more interested to preserve and boost its political influence in the region while China's policy is more focusing on economic development. This approach pushes China to maximize its influence in the region. The process of Globalization has given impetus to interconnectedness as well as interdependence. This theoretical approach helps us in describing and understanding China and Central Asia relations in the post-cold war era. The establishment of SCO as a platform to solve regional disputes, the growing cooperation in the economic sector particularly in the energy sector and the policy of non-interference in the internal affair has further strengthened the interconnectedness and interdependence. The OBOR project has further increased the significance of the Central Asian region because it played the role of a bridge between China and Europe. Although, Russia's role in the economic domain is constantly declining and China is emerging as a dominant power. In the region, Russia still occupies an important position in regional security matters. This swap of position might turn into a bigger conflict of interest, but these vulnerabilities might be turned into strong opportunities for regional cooperation and Development.

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