

Engaging the Neighbours: China's Diverse Multilateralism in Central Asia

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With sovereignty as the guiding principle, China in its early years had limited interest in multilateralism. China's world view was primarily driven by the doctrine of 'two camps' (*liangezhenying*) during the Cold War and afterward by Mao's conception of "three worlds" (*sangeshijie*) (Wang 2000: 478). Multilateralism as an accepted norm found its place in China's foreign policy only with Deng Xiaoping's stress on the need for peaceful economic development and modernization of China.

Today, China's regional engagement with ASEAN presents a unique case of co-existence of cooperation and conflict in Southeast Asia. As highlighted by David Shambaugh, China's 'adept and nuanced' multilateralism has earned trust and praise from ASEAN member states (Shambaugh 2004/2005).

To reform its image internationally and among its neighbourhood, China has not only created

regional institutions such as the Shanghai Cooperation Organisation (SCO) and Asian Infrastructure Investment Bank (AIIB) but also has preferred 'layers of multilateralism' (Wu 2008) with neighbouring regions. Like formal organizations, informal institutions have increasingly become essential components of Chinese foreign policy transcending the 'structured' understanding of multilateralism. 'Informal institutions' are also established by a group of states and have regular meetings but differ from their formal counterparts on following aspects. They function on the basis of 'shared expectations' instead of tangible binding agreement and they have minimal institutionalization with no permanent secretariat or permanent staff (Vabulas and Snaidal 2011)

China has preferred several informal consultations and regional arrangements on the ASEAN front and is now eager to experiment it with the neighbouring western regions such as

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Central Asia and South Asia. China's increasing economic interest in Central Asia has been primarily discussed from the bilateral point of view. This paper attempts to highlight informal multilateralism as a complementary and well-thought out Chinese policy in the region to draw other states into its political and economic plans.

Shanghai Cooperation Organization: The Stepping Stone

Most scholars have argued Central Asian regionalism to be 'virtual regionalism' predominantly driven by external actors (Allison 2008; Bohr 2004: 487). This region is more a single geographical area than a self-consolidated region as it lacks the ideological support for any idea of regionalism within.

The SCO has worked like a launching pad for China to deepen its informal multilateral arrangements in Central Asia

But initiatives from extra-regional actors such as Russia in the case of the Eurasian Economic Community, and China in the case of the Shanghai Cooperation Organization (SCO) have received a potential promise of cooperation from the region. Halford Mackinder once theorized that Central Asia due to its abundance of natural resources would serve 'a great pivot' for states who aspire for the world power (Mackinder 1962: 241) The SCO has already paved such a path for China in Central Asia starting with counterterrorism cooperation. Now, Central Asian political elites are willing to make it work to receive resources from both Russia and China and to maintain domestic status-quo in their respective countries (Dadabaev 2014; Blank 2012: 110).

The SCO has worked like a launching pad for China to deepen informal multilateral

arrangements of economic interest within the Central Asian region. China in the 2005 SCO Summit launched the Euro-Asia Economic Forum with the support of the United Nations Development Program and China Development Bank. The Forum is aimed to enhance multilateral economic and trade cooperation among member states (EAEEF 2013). Just two years after its establishment, Xi'an the capital city of China's Shaanxi province, which used to be the eastern end of the ancient Silk Road, was named as the permanent venue for the Forum.

In 2015, the Forum focused on promoting China's Silk Road Economic Belt (SREB), part of the 'one belt, one road' or 'belt and road' Initiative (BRI) and explored the potential of economic outreach in discussions related to energy development, tourism, economic development and financial cooperation (*Xinhua* 2015). This gradual shift in forums' focus towards the economic policies and norms of China in such arrangements highlights the importance of multilateralism in invigorating China's socialization with developing world (Alden and Alves 2016).

An Array of Informal Arrangements

Upgraded from China's 19-year-old Urumqi Foreign Economic Relations and Trade Fair (*CCTV.com* 2011), the China-Eurasia Expo, established in 2011 was next in line of China's multilateral initiatives. The Forum is being held in Urumqi, Xinjiang since its establishment and is sponsored by the government of Xinjiang, Ministry of Commerce of China, Ministry of Foreign Affairs of China and co-sponsored by the SCO and United Nations Conference on Trade and Development (*Xinhua* 2016b). Under the rubric of the China-Eurasia Expo, various forums continue to promote the idea of investment in the region in conjunction with the BRI.

A specific look at the nomenclature of these forums organized under the 5th China-Eurasia

Expo (20-25 September 2016) shows how such arrangements are helping China to promote its rhetoric of ‘New Silk Road’. These are The *Belt and Road Science and Technology Cooperation Forum*, *Silk Road Financial Forum*, *Overseas Chinese and Silk Road Construction Forum*, *Silk Road Industrial and Commercial Cooperation Forum*, *1st Women’s Forum of Countries along the Silk Road*,

Eurasia Information Highway Connectivity Forum, *1st Silk Road Economic Belt Altai Mountain Rim Sub-Region Economic Cooperation*, *1st Silk Road Legal Service Cooperation Forum*, *Silk Road International Logistics Summit SR and Forum on Development of Xinjiang and Overseas Chinese Businesses (CAEEXPO 2016)*. Though there is rarely any detailed information about these forums, the names say it all.

Caribbean countries such as Haiti and Jamaica and African countries such as Angola and Zimbabwe also participated in the Expo joining its “circle of friends” for the very first time (*China.org.cn* 2016). Thus such platforms assist China in making the BRI a ‘new normal’, getting investment deals and also developing one of its remotest areas. Some US\$18 billion worth of deals were signed in the 5th China-Eurasia Expo compared to US\$6 billion in 2015 (*Xinhua* 2016a). Li Jingyuan, head of the Expo’s secretariat, said that it ‘further strengthened Xinjiang’s overseas cooperation and played an increasingly important role in promoting the Silk Road Economic Belt construction’ (*Xinhua* 2016a).

The China-Central Asia Cooperation Forum is yet another young platform formed to implement China’s ‘resource diplomacy’ through consensus. The SREB was lauded in the third session of the Forum (June 2015) with MengJian zhu, a member of the Politburo of the Central Committee of the Communist Party of China encouraging Central Asian States to ‘work together to build a new Silk Road based on inclusiveness, mutual benefit, peace and

cultural integration’ (*China Daily* 2015). In the opinion of Ma Peihua, vice chairperson of the National Committee of the Chinese People’s Political Consultative Conference, ‘Belt and Road Initiative is the highlight of China-Central Asia Cooperation and China is willing to deepen ties with Central Asian countries under this initiative’ (*Xinhua* 2016c). In other words, China’s policymakers are vigilant enough to make the necessary choices at the right time.

There is a gradual shift of focus of informal multilateral arrangements towards economic policies and norms advocated by China.

Addressing the 4th China-Central Asia Cooperation Forum, Parviz Davlatzoda, Ambassador of Tajikistan to China too, declared that the SREB benefitted the interests of the Central Asian people and added to the prosperity of region (MFA 2016). International relations scholars have long held that formal and informal arrangements enable materially influential players to shape the course of actions for other dependent actors. And for China, these arrangements are helping it to strengthen its image as a trustworthy partner.

Extra-Regional Actors and China

Influencing a region with the active presence of the United States, Europe and also the major Islamic Republics in West Asia is a complex activity. China understands the strategic importance of engaging with other actors in the region and multilateral forums provide it the means to avoid the suspicion around Chinese policies and also to materialise its aspirations beyond Central Asia.

The Central Asia Investment Forum is the one such platform organised by European Bank for

Reconstruction and Development (EBRD) with the Financial Times. The Forum primarily discusses the prospects and challenges of doing business in Central Asia and involves over 300 investors, policymakers and experts from Turkey, Europe, the Gulf and Central Asia. In the February 2016 edition of the Forum, the very presence of executive vice-president of China's Silk Road Fund, Wang Dan, indicates the importance of China's SREB for the economies of countries beyond Central Asia and also for other influential regional organizations. At the start of the session, EBRD President Suma Chakrabarti made the first official announcement of collaborating with the China-based AIIB in co-financing road projects in Central Asia (Pyrkalo 2016).

China engages with extra-regional actors in regional multilateral forums to implement its economic and political aspirations beyond Central Asia.

The case of the Central Asian Regional Economic Cooperation (CAREC) also tells a similar story of China's involvement with Central Asian multilateralism. It was envisaged as an Asian Development Bank (ADB) initiative in the late 1990s. ADB's CAREC Unit is treated as the CAREC Secretariat and it is also staffed and managed by ADB, allowing no direct engagement of member state governments (CAREC 2017b). It is a broad-based dialogue and consensus-building mechanism targeted to build trust and confidence among the partner countries and stakeholders.

China is primarily talked as being a partner country with 10 other partner countries, but it has become a firm supporter of the cooperation (Linn 2012: 108) under the CAREC's vision of 'Good Neighbours, Good Partners, and Good Prospects' (CAREC 2017a). It primarily deals in the same areas of cooperation – transport,

trade facilitation, trade policy, and energy (CAREC 2017a) – which are of immediate concern in maintaining China's economic growth. The current strategic framework of CAREC emphasizing the importance of creating knowledge networks in the region to promote economic cooperation is also in consonance with Chinese plans. In April 2013, Chinese President Xi Jinping announced the goal of building 'think tanks with Chinese characteristics' and to ensure the role of experts in issues of economic and national importance to China (Menegazzi 2016b).

Under CAREC in October 2014, China preferred to establish the physical base for a CAREC Institute in Urumqi in Xinjiang (CAREC 2013) and in June 2016, the Institute and ADB co-organised the first Central Asia Think Tank Development Forum in Astana, Kazakhstan. The Forum was titled, 'Promoting Economic Cooperation for an Integrated Central Asia' and preceded from the first segment dealing with economic prospects to the last focusing on the importance of a shared knowledge base (CAREC 2016).

Though late to start, China is also utilizing think-tanks to project soft power and its global influence. Think-tank forums can play a significant role in establishing a 'knowledge network' with the developing world and eventually creating a distinct Chinese discourse in international relations. These forums have increasingly become part of China's foreign policy in recent years. There are various such forums with regional dimensions such as the China-South Asia Think Tanks Forum, China-Africa Think Tanks Forum, China-Latin America, and the Caribbean Think Tanks Forum, as well as those of a bilateral nature such as the India-China, Think Tanks Forum. But how much potential this soft power exercise has, is still doubtful. Zheng Yongnian, head of the East Asia Institute at the University of Singapore, believes that 'Chinese intelligentsia does not have a systematic critical viewpoint on the country's political and economic development'

(Menegazzi 2016a: 3). There is said to be a quality compromise with the increased push to the quantity of think-tanks. ‘..On the one hand, they are expected to improve policy outcomes (while) on the other; they are often restricted to legitimizing and interpreting decisions that have already been made’ (Abb 2016: 5).

Conclusion

China’s regional engagement in Central Asia is an extension of its economic diplomacy. Several loosely-structured arrangements it leads or participates in prevent the perception of Central Asian elites being arm-twisted by China through formal rules and regulations.

China has managed to earn the confidence of the Central Asian elites as a responsible actor and this can be attributed as much to China’s diplomatic perseverance as to its economic position

China also propagates equality of members and is successful in projecting itself as a concerned leader in the region and promoting investments without conditions. Still, multilateralism is not the new norm of China’s foreign policy; it is merely a tool to engage its neighbours in China’s economic and political interests. China’s SREB is now persistently present in the discussions and themes of all the forums it is becoming a part of. Xinjiang is constantly being projected as the bridge between Central Asia and the rest of China.

China is actively pursuing in its foreign policy, the approach of putting its frontier states/provinces at work with its neighbouring countries. This is something that India has not been able to achieve. One could question the whole rationale of trying to deal with ethnic issues with investment flows in such regions, but the overall policy of opening up such

fragile regions to other states for economic purposes highlights the priorities of Chinese foreign policy on its western borders.

Understanding the multiplicity of actors in the region, China is eagerly reaching out to multilateral arrangements organized by regional and other international organizations to maintain its influence as ‘the’ investor in the region. It has managed to earn the confidence of the Central Asian elites as a responsible actor, and this can be attributed as much to China’s diplomatic perseverance as to its economic position. Thus, while China’s land boundaries are not moving, its economic and political influence is growing in developing countries through its practice of multilateral arrangements. ■

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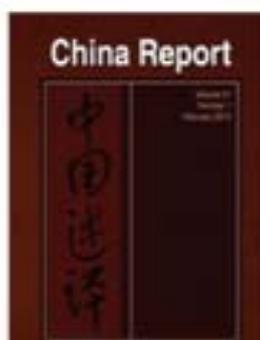


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