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## U.S. and Chinese Silk Road Initiatives: Towards a Geopolitics of Flows in Central Asia and Beyond

*Mika Aaltola and Juha Käpylä*

When the geostrategic gaze meets the geography of Central Asia, the scene can be communicated to wider audiences when the description connects with conventional historical knowledge and invokes imaginaries of a glorious and famous distant past to build identities for the present. The specific contours of the geographic landscape are then reimaged in terms of the possibilities they seem to possess when being transformed by the new functions which make them part of a strategic idea. Both the U.S. and Chinese strategic visions for the future of Central Asia are based on the Silk Road concept. The Silk Road originally refers to the ancient trade and cultural routes between China and South and Central Asia, Europe and the Middle East that started to emerge already during the Han dynasty in the 2<sup>nd</sup> century BC and met their ultimate demise with the rise of the growing influence of Tsarist Russia and then the Soviet Union in Central Asia and the Caucasus. Since the 1990s, the concept has resurfaced in the context of various logistics and energy projects across the greater Central Asian region.<sup>1</sup> This chapter focuses on two recent Silk Road initiatives by the U.S. and China—on their design, intent and consequences in Central Asia in the context of the U.S. withdrawal from Afghanistan.

Strategic thought emerges from the context of some actual political problem that cannot be solved by routine action and the means previously available. For the U.S., the central problem in contemporary Central Asia has been Afghanistan: how to create sustainable economic and political conditions in the country after the withdrawal of U.S. military presence while at the same time responding to global geopolitical games involving other great powers. For China, the problematic has been more complex, involving domestic security and economic issues in Western China, regional security issues in Cen-

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<sup>1</sup> Sreemati Ganguli, “The Revival of the Silk Roads Topic: A Contemporary Analysis,” in *Mapping Central Asia: Indian Perceptions and Strategies*, ed. Marlène Laurelle et al. (Farnham: Ashgate, 2011), 61–72.

tral Asia, global geostrategic scenarios following the U.S. rebalancing to Asia, as well as energy and trade factors in (and beyond) the region. The two Silk Road concepts represent contemporary solutions to these dilemmas. Following pragmatist insight, strategic ideas are best understood as “rules of action”<sup>2</sup>; they are not abstract reflections or even accurate representations<sup>3</sup>, but intimately related to organizing new action, thus having practical effects in socio-political reality.

From the U.S. perspective, the global space is organized according to U.S.-centric networks.<sup>4</sup> These networks are comprised of logistic flows of resources, people, goods, and data. The focus is on the ways in which these flow-systems with their hub-and-spoke topologies combine with circulations of power. Mobility networks become signs of a landscape that has been mastered. This vision contrasts with decaying or non-existing networks that often signify anarchy.<sup>5</sup> The hub-and-spoke structure has a history of being read as a “health indicator” of mastered environments. Ikenberry, for example, draws an explicit parallel between the changing global power hierarchy and the air-mobility systems, where all “major power centers (airlines) have their own distinct and competing hub and spoke system.”<sup>6</sup>

The transformation into a hub-and-spoke pattern is what Ikenberry indicates might be happening to the global hierarchy of power. Ikenberry makes a distinction between a more unipolar hub-and-spoke arrangement and a multilateralist situation, where actors coordinate their actions based on mutually agreed upon and shared rules and principles. The earlier Pax Americana hub-and-spoke relationship was clearly more unilateralist: one hub makes the decisions and expects the spokes to conform.<sup>7</sup> In his later 2009 analogy, the hub and spoke is considerably more “fragmented,” with the emergence of

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<sup>2</sup> Charles Sanders Peirce, “How to Make our Ideas Clear,” in *Pragmatism: A Reader*, ed. Louis Menand (New York: Vintage Books, 1997), 33.

<sup>3</sup> This is a particularly “neo-pragmatist” claim; see e.g. Juha Käpylä and Harri Mikkola, “‘Getting Things Right?’: A Reconsideration of Critical Realism as a Metatheory for IR,” *Journal of International Relations and Development* 14, no. 4 (2011): 413–14.

<sup>4</sup> See e.g. Mika Aaltola, “The international airport: The hub-and-spoke pedagogy of the American empire,” *Global Networks* 5, no. 3 (2005): 261–78; Mika Aaltola, Juha Käpylä, and Valtteri Vuorisalo, *The Challenge of Global Commons and Flows for US Power: The Perils of Missing the Human Domain* (New York: Ashgate, 2014).

<sup>5</sup> Robert D. Kaplan, “The Coming Anarchy,” *The Atlantic Monthly* 273, no. 2 (February 1994): 44–77.

<sup>6</sup> G. John Ikenberry, *Liberal Order and Imperial Ambition: Essays on American Power and World Politics* (Princeton: Princeton University Press, 2009), 85.

<sup>7</sup> *Ibid.*, 241, 248.

competing China as a hub that has partially overlapping spokes with the American-led liberal hub (thereby instigating a growing need to compromise on practices of governance). Thus, it seems that the geo-economics of (asymmetric) interdependence is propelling ways of seeing strategic maps and transforming landscapes that goes beyond mere traditional geopolitics. With the emergence of U.S. and Chinese Silk Road initiatives, the geopolitics of Central Asia can also be seen to be in transformation.

This chapter investigates the two strategic visions in and around Central Asia: the U.S. “New Silk Road” and China’s “one belt, one highway” initiatives which primarily highlight the establishment of infrastructure for regional and global flows of resources, goods and people and which have strong secondary geopolitical relevance. The two approaches are similar yet exhibit particularities in design, execution and intent. The U.S. vision is Afghanistan-focused, vertical, multilateral and seen as a Central Asia-India connection. The Chinese vision is more diffuse, horizontal, bilateral and state-based in its concrete investments, and seen as a broad march towards the west. The key question is whether they can, or ought to be, read as competitive or complementary. These contrary interpretations leave the future ambiguous from the perspective of power politics. However, the two initiatives will have a large impact on the daily lives of the people in the region, particularly when they are integrated into the processes of global logistics and flows. The U.S. initiative faces multiple challenges whereas the Chinese version, despite its challenges, is the one which is more likely to shape practices in the region.

## **The U.S. Silk Road Initiative**

### *A Regional Economic Strategy*

In a speech on July 20, 2011 at Chennai in India, the Secretary of State Hillary Clinton laid out the outlines of the U.S. strategy for Afghanistan and Central Asia after the withdrawal of the majority of U.S. (and ISAF) combat forces from Afghanistan—at the time envisioned to take place by the end of

2014 but today set to happen in 2016.<sup>8</sup> The strategy was based on three elements: (1) a new strategic partnership framework to define the U.S.-Afghanistan relationship after the U.S. withdrawal—a pact that was finally signed in September 2014 following the power-sharing deal to secure the new Afghan presidency for Ashraf Ghani;<sup>9</sup> (2) active diplomatic efforts with regional powers to facilitate a responsible political solution in Afghanistan, including a chain of meetings in Istanbul, Bonn and Kabul to obtain formal pledges of non-interference coupled with confidence-building measures from regional players; and (3) an economic strategy to increase commercial ties and activity in South and Central Asia so that goods, resources, capital, and people could flow more easily across borders and, thus, enhance economic growth in the region.<sup>10</sup>

Washington's economic strategy took the form of the New Silk Road (NSR) initiative. The primary focus of the NSR is Afghanistan, with the aim of making Afghanistan economically and politically sustainable after the withdrawal of the main part of the U.S. and ISAF forces. However, as Afghanistan is unlikely to achieve this alone and isolated from its neighbors, the NSR has a specific regional emphasis aimed at connecting and boosting all the land-locked economies of Central Asia that are seen to possess vast natural resources and growing markets but to have remained relatively unintegrated, both regionally and globally.<sup>11</sup> The overarching idea of the initia-

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<sup>8</sup> The U.S. will maintain a reduced military presence in post-2016 Afghanistan through NATO's Operation Resolute Support (ORS), which will replace the Operation Enduring Freedom (OEF).

<sup>9</sup> Steve Holland and David Brunnstrom, "Ghani named Afghan president-elect after deal to end election dispute," *Reuters*, September 21, 2014, <http://www.reuters.com/article/2014/09/21/us-afghanistan-election-idUSKBN0HG0PQ20140921>.

<sup>10</sup> Hillary Clinton, "Remarks on India and the United States: A Vision for the 21<sup>st</sup> Century," *U.S. Department of State (USDS)*, July 20, 2011, <http://www.state.gov/secretary/20092013/clinton/rm/2011/07/168840.htm>; and Kenneth Katzman, "Afghanistan: Post-Taliban Governance, Security, and U.S. Policy," *Congressional Research Service, CRS Report*, August 17, 2015, 30, 40–41, <https://www.fas.org/sgp/crs/row/RL30588.pdf>.

<sup>11</sup> Vladimir Fedorenko, "The New Silk Road Initiatives in Central Asia," *Rethink Paper* 10 (2013): 2–3, <http://www.rethinkinstitute.org/wp-content/uploads/2013/11/Fedorenko-The-New-Silk-Road.pdf> and USDS, "U.S. Support for the New Silk Road," accessed June 11, 2015, <http://www.state.gov/p/sca/ci/af/newsilkroad>. Afghanistan, however, has been connected to various, often illicit, global networks and flows. From a historical perspective, Central Asian economies have long provided raw materials for industrial production in the USSR and later on Russia, which has meant that licit connections elsewhere—particularly to its southern neighbors—have remained relatively undeveloped. See e.g. Jonathan Mendel, "Afghanistan, Networks and Connectivity," *Geopolitics* 15, no. 4 (2010): 726–51

tive is that Afghanistan needs to move from aid-dependency to a sustainable economy, and that this in turn requires the combination of government leadership, private sector investment, and regional cooperation and connectivity. As Secretary of State Clinton put it, “[f]or Afghans to enjoy sustainable prosperity, they will have to work alongside all of their neighbors to shape a more integrated economic future for the region that will create jobs and will undercut the appeal of extremism.”<sup>12</sup>

In more detail, the NSR initiative is a regional approach to peace and prosperity in Afghanistan. It goes beyond the limited focus on Afghan internal dynamics or even Afghanistan-Pakistan relations and aims at integrating the whole region into an international network of trade, transit, and communications links along the north-south axis with Afghanistan as the main hub—as the new “heart of Asia.”<sup>13</sup> The goal, as Mankoff explains, is to connect Afghanistan and its neighboring Central Asian countries to the growing economies of South Asia—Pakistan and India—which in turn will help draw in new foreign investment, open up new sources of hydrocarbons and minerals, and give Central Asian actors a stake in economic development that will turn them away from violence and radicalism.<sup>14</sup> In this vision, says Clinton, “Turkmen gas fields could help meet both Pakistan’s and India’s growing energy needs and provide significant transit revenues for both Afghanistan and Pakistan. Tajik cotton could be turned into Indian linens. Furniture and fruit from Afghanistan could find its way to the markets of Astana or Mumbai and beyond.”<sup>15</sup>

The NSR initiative suggested the development of hard and soft infrastructure as two particular ways of advancing trans-regional connectivity and economic activity in Central and South Asia. The key part of the proposal was the construction and extension of hard infrastructure in order to connect

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and Jeffrey Mankoff, “The United States and Central Asia after 2014,” *Center for Strategic and International Studies*, January 2013, 20,

[http://cis.sis.org/files/publication/130122\\_Mankoff\\_USCentralAsia\\_Web.pdf](http://cis.sis.org/files/publication/130122_Mankoff_USCentralAsia_Web.pdf).

<sup>12</sup> Hillary Clinton, “Remarks at the New Silk Road Ministerial Meeting,” *USDS*, September 22, 2011, <http://www.state.gov/secretary/20092013clinton/rm/2011/09/173807.htm>.

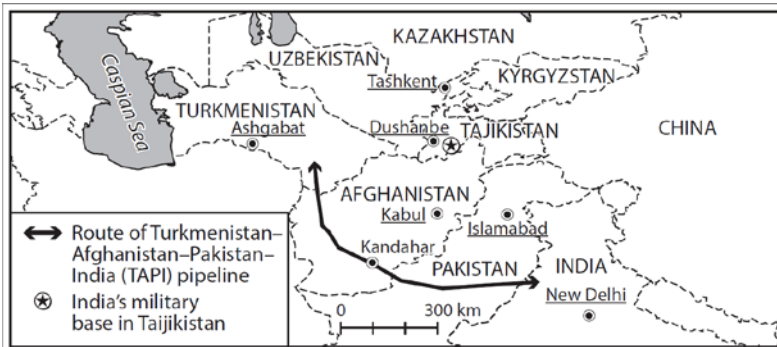
<sup>13</sup> Fedorenko, “The New Silk Road Initiatives,” 4, and Shahrbanou Tadjbakhsh, “Central Asia and Afghanistan: Insulation on the Silk Road, Between Eurasia and the Heart of Asia,” *Peace Research Institute Oslo Paper 3* (2012), [http://www.operationspaix.net/DATA/DOCUMENT/6912~v~Central\\_Asia\\_and\\_Afghanistan\\_an\\_Insulation\\_on\\_the\\_Silk\\_Road\\_Between\\_Eurasia\\_and\\_the\\_Heart\\_of\\_Asia.pdf](http://www.operationspaix.net/DATA/DOCUMENT/6912~v~Central_Asia_and_Afghanistan_an_Insulation_on_the_Silk_Road_Between_Eurasia_and_the_Heart_of_Asia.pdf).

<sup>14</sup> Mankoff, “The United States and Central Asia.”

<sup>15</sup> Clinton, “Remarks at the New Silk Road Ministerial Meeting.”

Central Asian states to Pakistan and India via Afghanistan. In this task, the U.S. State Department identified up to 40 infrastructure projects to pursue in the region.<sup>16</sup> These included initiatives to develop energy transmission networks, energy pipelines, transport connections (e.g. roads and railways) and information networks (e.g. fiber optic cables). The two flagship projects in the U.S. initiative, illustrated in *Figure 1* and *Figure 2*, are the Turkmenistan–Afghanistan–Pakistan–India (TAPI) gas pipeline, which is to transport Turkmen natural gas to growing markets in India that currently have only half the natural gas that they require, and the CASA-1000<sup>17</sup> energy transmission network, which could transport surplus summer hydropower from Kyrgyzstan and Tajikistan to Afghanistan, Pakistan and India, all three of which are states with significant energy deficits.<sup>18</sup>

*Figure 1: TAPI Pipeline*



Source: The Hindu (2014). Illustration: Kauko Kyöstiö.

These efforts complement existing infrastructure initiatives in the region that the U.S. has supported diplomatically or through indirect financial support via multilateral organizations, such as the World Bank (WB) or the Asian Development Bank (ADB). The work of the Central Asia Regional Economic Cooperation (CAREC) program is a prime example.

<sup>16</sup> Joshua Kucera, “The New Silk Road?,” *The Diplomat*, November 11, 2011, <http://thediplomat.com/2011/11/the-new-silk-road/>.

<sup>17</sup> CASA-1000, “CASA-1000,” accessed June 17, 2015, <http://www.casa-1000.org/>.

<sup>18</sup> Robert O. Blake, “The New Silk Road and Regional Economic Integration,” *USDS*, March 13, 2013, <http://www.state.gov/p/sca/rls/rmks/2013/206167.htm> and USDS, “U.S. Support for the New Silk Road.”

CAREC is an ADB-coordinated development program that brings together 10 Asian countries and 6 multilateral institutions. It was established in 1997 to promote cooperative regional development, with the aim of accelerated economic growth and poverty reduction. The backbone of CAREC is its investments in transport and trade facilitation projects, to date worth of \$18 billion. Since 2008, these projects have been pursued in the framework of Trade and Transport Facilitation Strategy (TTFS), the goals of which include “establishing competitive corridors; facilitating the movement of goods and people through these corridors; and providing sustainable, safe, and user-friendly transport and trade networks” through Central Asia.<sup>19</sup> Among the key projects are the six multimodal transport corridors that seek to facilitate regional connectivity and trade flows. According to TTFS, some of the original corridors remain incomplete, with inadequate connection to maritime ports and intermodal logistics hubs. This limits their effectiveness in enabling increased trade flows and necessitates ongoing improvement and extensions.<sup>20</sup> Many of these extensions currently seem to emphasize the north-south focus of the NSR initiative even if they also serve broader interests, including those of China in its own Silk Road initiative.

These regional hard infrastructure projects complement the multibillion U.S. nation-building effort in Afghanistan,<sup>21</sup> part of which has focused on rebuilding infrastructure that could ultimately enable Afghanistan to become the new crossroads of Asia. The U.S. has financed the construction or rehabilitation of over 3,000 km of roads as well as key bridges to facilitate trade, transport and people-to-people connectivity in Afghanistan and beyond. Prime examples are the 2,200-km-long Afghan Ring Road connecting major Afghan cities and the \$40 billion and the 672-meter-long Tajikistan-

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<sup>19</sup> ADB, “CAREC Trade and Transportation Facilitation Strategy 2020,” 2014, <http://www.adb.org/sites/default/files/institutional-document/34107/files/carec-ttfs-2020.pdf>.

<sup>20</sup> “CAREC Trade and Transportation Facilitation Strategy 2020,” 13.

<sup>21</sup> The cost of Operation Enduring Freedom, and particularly of reconstruction efforts within that operation, is difficult to estimate, not least because of various funding sources. According to official figures for fiscal years 2001–2014, Congress granted the State Department and USAID \$33.6 billion, part of which was used for reconstruction. Similarly, the Department of Defense has been granted at least \$647.3 billion, part of which has also been used for reconstruction in the context of counterinsurgency warfare. But it is safe to say that the total cost of reconstruction efforts is multiple billions of dollars. See Amy Belasco, “The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11,” *Congressional Research Service, CRS Report*, December 8, 2014, 19, <http://fas.org/sgp/crs/natsec/RL33110.pdf>.



Afghanistan bridge across the Panj River.<sup>22</sup> The U.S. has also provided financial support for the construction of energy transmission lines, hydropower plants and related reforms across the country, worth more than \$2 billion in total.<sup>23</sup> According to one estimate, the most significant development has been the connection of Afghanistan's and Uzbekistan's electricity grids for the provision of electricity to Kabul and Mazar-e Sharif.<sup>24</sup> In the cyber domain, the U.S. has provided technical assistance to the establishment of a 4,000-km-long network of fiber optic cables in the country.<sup>25</sup>

Figure 2: CASA-1000 electricity network



Source: CASA-100 Homepage. Illustration: Kauko Kyöstiö.

<sup>22</sup> “US-made Tajik-Afghan bridge opens,” *BBC*, August 26, 2007, <http://news.bbc.co.uk/2/hi/asia-pacific/6964429.stm>. The bridge connecting Panji Poyon in Tajikistan and Shir Khan Bandar in Afghanistan was co-financed by Norway.

<sup>23</sup> Lynne M. Tracy, “The United States and the New Silk Road,” *USDS*, October 25, 2013, <http://www.state.gov/p/sca/rls/rmks/2013/215906.htm>.

<sup>24</sup> Frederick S. Starr and Andrew C. Kuchins, “The Key to Success in Afghanistan: A Modern Silk Road Strategy,” *Central Asia-Caucasus Institute & Silk Road Studies Program, Silk Road Paper*, May 2010, 39, [http://csis.org/files/publication/100610\\_key\\_to\\_success\\_in\\_afghanistan.pdf](http://csis.org/files/publication/100610_key_to_success_in_afghanistan.pdf).

<sup>25</sup> Tracy, “The United States and the New Silk Road.”

In addition to improving connectivity, the U.S. has also emphasized the creation of potential hubs and spokes for the emerging trade and transport flows in and through Afghanistan. These have included the port of Shir Khan Bandar<sup>26</sup> in Kunduz province that began to grow after the completion of the adjacent Tajikistan-Afghanistan bridge in 2007, as well as the port of Hairatan<sup>27</sup> in Balkh province that hosts one of the country's few international rail connections.

The establishment of hubs and connections is also related to Afghanistan's natural resources that could be extracted and shipped out in return for revenue to sustain the country. Consequently, the development of extractive industries in Afghanistan has also been identified as important, not least because the U.S. Geological Survey has verified that "Afghanistan sits on top of at least \$1 trillion in mineral wealth—iron, copper, gold, rare earth elements, and others."<sup>28</sup>

The rest of the U.S. proposals in the NSR initiative fell into the category of soft infrastructure development that aims to accelerate the free flow of resources, goods, services and people in the (assumedly) increasingly connected region, particularly along the north-south axis. This amounts to an attempt to pursue economic growth through trade liberalization while at the same time seeking reduction in crime and corruption. While it is recognized that the underdeveloped hard infrastructure (as well as the security situation) in the region remains a formidable challenge, significant obstacles to smooth cross-border trade are perceived to be institutional, bureaucratic and political in nature. Inefficient border bureaucracy, corruption and rent-seeking, and differing national regulations are seen to stall efficient movement, create unpredictability, and add significantly to the cost of cross-border trade.<sup>29</sup> In order to alleviate this situation, the NSR initiative has emphasized the need to

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<sup>26</sup> Ministry of Commerce and Industries of the Islamic Republic of Afghanistan, "Shir Khan Port," accessed September 29, 2015, <http://moci.gov.af/en/page/7760>.

<sup>27</sup> Ministry of Commerce and Industries of the Islamic Republic of Afghanistan, "Hairatan port," accessed September 29, 2015, <http://moci.gov.af/en/page/7761>.

<sup>28</sup> Robert D. Hormats, "The United States' 'New Silk Road' Strategy: What is it? Where is it Headed?," *USDS*, September 29, 2011, <http://www.state.gov/e/rls/rmk/20092013/2011/174800.htm>.

<sup>29</sup> Starr and Kuchins, "The Key to Success in Afghanistan," 26–28. It has been estimated that up to 40 percent of total travel time in EU-Central Asia trade may derive from delays at the borders, and up to 60 percent of the trip time in Central Asian shipping can be spent at border crossings; the latter alone may amount to over 60 percent of the overall cost (see *Ibid.*, 33).

upgrade border crossing facilities and procedures, remove bureaucratic trade barriers, and coordinate trade policies in the region.<sup>30</sup> Increasingly professional customs administration and standardized customs procedures coupled with more harmonized regional trade policies are expected to amount to savings in time and reductions in the cost of regional trade. U.S. activities include<sup>31</sup>:

- Support of various border security initiatives in the region to prevent the exploitation of growing trade and transit by terrorists, narco-traffickers and other criminals. The U.S. State and Defense Departments have also increased the capacity of customs and border control officials in all Central Asian countries as well as supported the work of the OSCE to train officials, several hundreds of whom are Afghans, both in its Border Management Staff College in Dushanbe and its Customs Academy in Bishkek.
- Agreement with the Central Asian countries upon a Trade and Investment Framework Agreement (TIFA), through which the parties seek to identify opportunities for new economic activities and work toward the removal of impediments to trade and investment flows amongst the agreeing parties and Afghanistan. The U.S. has also provided technical assistance for the realization of the 2010 Afghanistan-Pakistan Transit Trade agreement (APTTA) and supported the Cross-Border Transport Agreement (CBTA) between Kyrgyzstan, Tajikistan and Afghanistan.<sup>32</sup>
- Support for Kazakhstan and Afghanistan has resulted in their accession to the WTO. The U.S. has also welcomed Uzbekistan's efforts to revive its WTO negotiations and Turkmenistan's renewed interest in the organization.

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<sup>30</sup> Clinton, "Remarks at the New Silk Road Ministerial Meeting" and Susan M. Elliot, "Remarks at Northern Distribution Network Conference," *USDS*, May 8, 2012, <http://www.state.gov/p/sca/rls/rmks/2012/189499.htm> and see also Kucera, "The New Silk Road?."

<sup>31</sup> Tracy, "The United States and the New Silk Road" and USDS, "U.S. Support for the New Silk Road."

<sup>32</sup> ADB, "Afghanistan Joins Tajikistan, Kyrgyz Republic Cross-Border Transport Accord," August 29, 2011, <http://www.adb.org/news/afghanistan-joins-tajikistan-kyrgyz-republic-cross-border-transport-accord>.

- Afghanistan's decision to rejoin the International Road Transport Convention (IRTC) in 2013 was seen as a positive move by the U.S. as this convention harmonizes the formalities of transporting goods by road in all Central Asian countries. The U.S. has also helped to establish the National Rail Authority and develop a national rail plan to facilitate enhanced transport and logistics in the country.

Moreover, in addition to improving hard and soft infrastructure the NSR initiative also maintains that regional economic connectivity should involve a people-to-people aspect and particularly the improvement of opportunities for youth, women and minorities to participate in social and economic life in Afghanistan and the broader region. This creates a conditional aspect to the U.S. strategy and connects it to a broader recognition among Western experts according to which "improving the status of Afghan [and Central Asian] women and girls is also important for the nation's [region's] political development and stabilization."<sup>33</sup> In order to support these aims in the context of the NSR initiative, the U.S. has funded university studies of Afghan students across the region, sponsored economic and entrepreneurship symposiums for women in Central Asia and South Asia, and organized trade delegations and conferences in the region.<sup>34</sup>

### *The U.S. Initiative in Its Long-Term Policy Perspective*

Contrary to the word "new" in the name of the initiative, the very idea of a Silk Road is not a novelty in the U.S. strategic discourse on Central Asia. The notion can be traced back to Washington's broader geopolitical considerations which, during the 1990s and 2000s, focused on democratic transition, human rights promotion and economic cooperation in "Greater Central Asia," thus ultimately connecting it to the Caucasus region, Turkey and Europe in the West rather than to the North (Russia) or the East (China). Kucera notes how the U.S. in the late 1990s, "pushed for the construction of pipelines leading from the Caspian Sea through Georgia and Turkey, for the first time breaking Russia's monopoly on the region's rich oil and natural gas re-

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<sup>33</sup> Catherine Powell, "Women and Girls in the Afghanistan Transition," *Council on Foreign Relations Working Paper*, June 2014, <http://www.cfr.org/women/women-girls-afghanistan-transition/p33152>.

<sup>34</sup> USDS, "U.S. Support for the New Silk Road."

serves.”<sup>35</sup> This was meant to solidify the sovereignty of newly independent Central Asian states and counter the influence of Russia as well as China in the region—thus feeding into the competitive “great game” in Central Asia.<sup>36</sup>

The events of September 11, 2001, however, changed the situation and Washington’s long-term strategy was replaced by short-term military expediency. The more recent idea of the New Silk Road as a post-withdrawal economic strategy emerged from discussions in think tanks in Washington and was adopted in a condensed form by government policymakers—initially at the U.S. Central Command (CENTCOM) and, subsequently, at the more skeptical State Department and White House.<sup>37</sup> In particular, the new initiative drew from experience and lessons learned in the war in Afghanistan, particularly in regard to the issue of military logistics in the Afghan theater of operations.

In order to sustain its combat forces in Afghanistan, the U.S. has had to deliver a wide range of materiel to the country. Initially, the majority of non-lethal U.S. military materiel was delivered to the Pakistani port of Karachi and then transported overland to Afghanistan by commercial trucking companies. As a result of a number of disrupting factors, including a lack of inexpensive alternatives, trucking strikes and increased insurgency activity, in 2009 the U.S. sought to establish a more flexible and reliable northern supply network into Afghanistan to support the growing number of its forces. The shutdown of the Afghanistan-Pakistan border following the death of several Pakistani soldiers in a NATO incursion on Pakistani soil made clear that the northern dimension was vital.<sup>38</sup> Through a combination of diplomatic pressure and financial incentives, the U.S. was able to establish a number of lo-

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<sup>35</sup> Joshua Kucera, “U.S. Checked in Central Asia,” *International New York Times*, November 4, 2013,

[http://www.nytimes.com/2013/11/05/opinion/us-checked-in-central-asia.html?\\_r=0](http://www.nytimes.com/2013/11/05/opinion/us-checked-in-central-asia.html?_r=0).

<sup>36</sup> Mankoff, “The United States and Central Asia,” 21, and Ganguli, “The Revival of the Silk Roads Topic,” 67; and see also Ivan Safranchuk, “The New Silk Road Concept and American Policy in Greater Central Asia,” *International Affairs* 59, no. 5 (2013): 47–48. As Kucera points out, Henry Kissinger, for example, “called for the creation of a pro-Western ‘buffer zone’ in the region separating Russia and China,” Joshua Kucera, “U.S. Checked in Central Asia.”

<sup>37</sup> Graham Lee, “The New Silk Road and the Northern Distribution Network: A Golden Road to Central Asian Trade Reform?,” *Occasional Paper Series* 8 (2012): 9, <http://www.opensocietyfoundations.org/sites/default/files/OPS-No-8-20121019.pdf>; Safranchuk, “The New Silk Road Concept and American Policy in Greater Central Asia,” 52, and Kucera, “The New Silk Road?.”

<sup>38</sup> Joshua Kucera, “Great Game in Central Asia after Afghanistan,” *The Diplomat*, March 27, 2013, <http://thediplomat.com/2013/03/the-great-game-in-central-asia-after-afghanistan/>.

gistical routes that utilized existing rail and road networks as well as commercial carriers in Europe, Russia and Central Asia. Together, these routes constituted the Northern Distribution Network (NDN), illustrated in *Figure 3*.<sup>39</sup>

*Figure 3: The Northern Distribution Network*



Source: Kuchins et al. (2010). Illustration: Kauko Kyöstiö.

Given the successful transport of materiel through the NDN—according to official reporting over 66,000 containers by May 2012<sup>40</sup>—Washington’s NSR strategy envisioned that the NDN could work as a foundation for regional commercial interaction in the future. In May 2012 Susan M. Elliott, the U.S. Deputy Assistant Secretary in the Bureau of South and Central Asia, argued that “[b]ecause we’re using existing infrastructure and commercial transit routes, these same routes can and should be used by the private sector

<sup>39</sup> Andrew C. Kuchins, et al., “The Northern Distribution Network and the Modern Silk Road: Planning for Afghanistan’s Future,” *Center for Strategic and International Studies*, December 2009, [http://csis.org/files/publication/091217\\_Kuchins\\_NorthernDistNet\\_Web.pdf](http://csis.org/files/publication/091217_Kuchins_NorthernDistNet_Web.pdf). and Andrew C. Kuchins et al., “Afghanistan: Building the Missing Link in the Modern Silk Road,” *The Washington Quarterly* 33, no. 2 (2010): 33–47.

<sup>40</sup> Susan M. Elliot, “Remarks at Northern Distribution Network Conference,” *USDS*, May 8, 2012, <http://www.state.gov/p/sca/rls/rmks/2012/189499.htm>.

to continue trade across the region, where there is ample opportunity for growth.”<sup>41</sup>

Leading think tanks and Central Asia experts in Washington had argued precisely this point prior to the adoption of the NSR initiative. Frederick Starr and Andrew Kuchins, in particular, have been prominent in this respect. For example, in 2009 the Center for Strategic and International Studies (CSIS) report by Kuchins *et al.* suggested that:

“By linking Afghanistan with Europe, the Caucasus, and Central Asia through commercial carriers, existing infrastructure, and multiple routes, the NDN is proof that the embattled country is currently accessible. Unfortunately, the flourishing export trade of Afghan-grown opiates to Asia, Central Asia, Europe, Iran, and Russia also serves as proof of transit potential. At the same time, the NDN is creating additional demand for transcontinental transport services, bolstering the logistical links between Afghanistan, NDN ports of origin, and NDN transit states. Through this demand, the U.S. military is helping create and sustain transcontinental transport capacity that could one day service the MSR [Modern Silk Road] and become the engine for Afghanistan’s economic growth as prioritized in the 2008 Afghan National Development Strategy.”<sup>42</sup>

In 2010, another CSIS contribution by Kuchins *et al.* argued that “[w]hile the creation of the NDN was motivated by the U.S. military’s immediate logistical needs, its establishment nonetheless offers a unique opportunity for Washington to lay a foundation for a Modern Silk Road, which would help stabilize Afghanistan in the long term and transform Eurasia.”<sup>43</sup> In the same year, Starr and Kuchins together concluded more broadly that:

“The U.S.-led Operation Enduring Freedom radically changed [the] situation by reopening Afghanistan’s northern border to long-distance trade for the first time since 1936, and by creating similar potential on Afghanistan’s eastern border with Pakistan. This action, entirely unintended and largely unnoticed in America or elsewhere, is one of the most transformative developments on the Eurasian landmass in the past century. Today, the best, and possibly only, way for America to consolidate and expand its military gains in Afghanistan is to build on this achievement.”<sup>44</sup>

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<sup>41</sup> Ibid.

<sup>42</sup> Kuchins et al., “The Northern Distribution Network and the Modern Silk Road,” 21.

<sup>43</sup> Ibid., 37.

<sup>44</sup> Starr and Kuchins, “The Key to Success in Afghanistan,” 11.

The New Silk Road concept, based on successful experience in commercial and logistics transactions towards the north and north-west along the NDN, was the model and way forward for the U.S., Afghanistan and greater Central Asia. Furthermore, as the U.S. was to withdraw the majority of its combat forces from Afghanistan, the existing NDN routes were to be used to transport out U.S. military equipment and, as such, they were expected to persist not only throughout the exit phase but also beyond it.

*The Rationale for the U.S. Initiative: Goals in Afghanistan and Beyond*

The U.S. has had various security-related and geostrategic reasons for launching the NSR initiative. As stated explicitly, the U.S. required a plan to transition from a costly, security-oriented mission to a comprehensive but less taxing long-term engagement with Afghanistan that would enable an economically self-sustaining and extremism-averse Afghan society to emerge in the context of an increasingly interconnected and interdependent Central Asia. The costs of the absence of such a long-term plan or an “exit strategy” were considered to be quite significant. First, gains in security and stability would be short-lived if the U.S. and its Coalition partners abruptly were to lose interest in Afghanistan. Second, the Afghan population would not be the only party to draw the disillusioned conclusion that the U.S. is a self-interested player unwilling to work for the Afghan goal of socio-economic development. Third, non-engagement would also signal that the U.S. presence and interest in Central Asia was declining, thus creating further incentives for Russia and China to increase their influence in the region. Fourth and finally, a failure to accomplish the broader goal of a stable and self-sustaining Afghanistan would be likely to undermine the willingness of NATO and non-NATO partners to join U.S.-led missions in the future.<sup>45</sup>

Furthermore, the NSR initiative embodies broader U.S. geostrategic interests in the region, among them the potentially growing strategic partnership with India in combination with strategic rivalry between the U.S., China and Russia. The Obama administration has defined India as its “indispensable partner” for the 21<sup>st</sup> century, based on converging strategic interests, shared democratic values, and a common problem-solving mentality in re-

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<sup>45</sup> Ibid., 13.



gional and global affairs.<sup>46</sup> However, political speech and practices have not always coincided. The indispensable partnership has become tested in recent years as the U.S. has “devoted less attention to India than to its rivals China and Pakistan, pursuing economic links with the former and counterterrorism ties with the other.”<sup>47</sup> Nevertheless, India is still seen as an important regional leader as well as a democratic counterbalance to China in the Asia-Pacific region, particularly in the maritime domain.<sup>48</sup> The U.S. would like to consider India as a key “pillar of economic and political stability in the Asia Pacific.”<sup>49</sup> This strategic perspective explains why the U.S. NSR vision favors vertical connections that seek to link Central Asia and Afghanistan to India instead of the largest—and growing and expanding—market in the region, namely China. This is expected to both enable the rise of India and to constrain the rise of China, including the Chinese expansion towards the west.

It is also worth noting that, despite its vertical design, the official NSR strategy excludes both Russia and Iran from the equation—even if Russia did facilitate the emergence and continuation of the NDN throughout the war in Afghanistan. These exclusions reflect both the ongoing U.S. effort to limit Russia’s influence in Central Asia, for example *vis-à-vis* Russia’s infrastructure (energy) and political projects (Custom’s and Eurasian Economic Union) in the region, as well as the U.S. interest in limiting Iran’s participation in potentially lucrative trade relations and in the stabilization of Afghanistan.<sup>50</sup>

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<sup>46</sup> Wendy Sherman, “The United States and India: An Indispensable Partnership for the 21st Century,” *USDS*, April 2, 2012, <http://www.state.gov/p/us/rm/2012/187401.htm>.

<sup>47</sup> Nicholas Burns, “Passage to India: What Washington Can Do to Revive Relations with New Delhi,” *Foreign Affairs* 93, no. 5 (September–October 2014).

<sup>48</sup> The role of India as an additional counterbalance to China is particularly relevant in the maritime domain, where intensified activity and territorial claims by China are seen as jeopardizing regional security and freedom of maritime movement. In this context, President Obama and Prime Minister Modi recently agreed “to intensify cooperation in maritime security to ensure freedom of navigation and unimpeded movement of lawful shipping and commercial activity, in accordance with accepted international law.” See Steve Holland and David Brunnstrom, “Obama, Modi work to deepen improving U.S.-India ties,” *Reuters*, September 30, 2014, <http://www.reuters.com/article/2014/09/30/us-usa-india-modi-idUSKCN0HP11M20140930>; “U.S. seeks to step up India trade talks,” *Reuters*, November 24, 2014, <http://www.reuters.com/article/2014/11/24/us-india-usa-trade-idUSKCN0J80MW20141124>.

<sup>49</sup> Sherman, “The United States and India”; see also Geoffrey Pyatt, “Next Steps on the Silk Road,” *USDS*, November 15, 2011, <http://www.state.gov/p/sca/rls/rmks/2011/177179.htm>. The US has also welcomed Indian contributions to the development of Afghanistan, such as investments in natural resources sector and the training of Afghan civil servants. See Sherman, “The United States and India.”

<sup>50</sup> Mankoff, “The United States and Central Asia,” 21.

However, although the U.S. has not encouraged connections between Afghanistan and Iran, it also has not banned them. In official statements the U.S. has recognized, for example, “India’s historical linkages with Iran and Persian culture” and understands “its interest in developing Iran as a gateway to Afghanistan and Central Asia.”<sup>51</sup> India’s possibilities to propose and execute road and rail projects connecting Afghanistan to the port of Chabahar in Iran have not been restrained.

However, these efforts to limit Russian, Iranian and especially Chinese influence in the region whilst simultaneously trying to develop and stabilize Afghanistan through increased economic integration and activity are extremely challenging. If the stabilization of Afghanistan is premised on its economic growth, and economic growth is to a large degree a function of Afghanistan’s integration with the region and the region’s integration into broader global markets, then it must also be noticed that Russia and particularly China are geographically so favorably placed that they, too, play a role in this process. Both of them, and more recently especially China, have already managed to penetrate the region and wield growing influence in Central Asia. For example, Chinese investments in developing Turkmenistan’s natural gas and Kazakhstan’s oil infrastructure provide China with leverage over and beyond the competitive advantage that sheer geographic proximity provides (more on this further below). Given the constraints on U.S. resources due to the financial crisis and budgetary challenges coupled with a lack of private sector investment, it is regional players and especially China that are likely to fund many of the critical projects in the long term. This, in turn, gives China a say in the content and consequences of such endeavors.<sup>52</sup>

Whether this is necessarily a negative thing from the U.S. point of view remains an open question. On the one hand, China’s significant investments in the region do facilitate the region’s integration into the global economy as well as its economic self-sufficiency—the two mechanisms that the U.S. emphasizes in the long-term development of Afghanistan and Central Asia. This is something that U.S. official statements have come to recognize:

“We welcome the efforts of China to develop energy and transportation infrastructure in the region, including projects announced during President Xi’s recent [2013] visit. We see all these efforts as mutually reinforcing and beneficial to the

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<sup>51</sup> Sherman, “The United States and India.”

<sup>52</sup> Mankoff, “The United States and Central Asia,” 21.

Central Asia countries and Afghanistan. We are realistic. The United States is an important partner for all the countries of the region, and our companies are major players there [...]. But China, as a neighbor to these countries and as a result of its own dramatic growth, is naturally going to be leader there in trade and investment. We want to work with China [...].”<sup>53</sup>

On the other hand, China has paid much less attention to Afghanistan and much more attention to other Central Asian states than the U.S. did after 9/11 when Afghanistan was a strategic priority in the Global War on Terror. As a consequence of this, Chinese influence in the region has grown as a function of successful investments, mostly outside of Afghanistan and not necessarily in favor of the development in Afghanistan that is the emphasis of the U.S.

## China’s Silk Road Initiative

### *Two Roads in One Initiative: The Economic Belt and the Maritime Road*

The idea of the Silk Road has a long history in China, dating back to the original route(s) and its subsequent utilization in Chinese political discourse. China has proposed its own concrete vision of the modern Silk Road that imitates, yet goes beyond, the U.S. strategy initially suggested by Hillary Clinton in 2011. The proposal includes both terrestrial and maritime roads that connect China not only to Central Asia but much of the world, including Europe, Africa, and the Middle East. The terrestrial part of this vision was presented by President Xi Jinping in a speech at Nazarbayev University in Astana, Kazakhstan, while visiting Central Asia in September 2013. President Xi proposed that China and the Central Asian countries build an “economic belt along the Silk Road” that would span the Eurasian continent from the Pacific to the Atlantic and the Baltic Sea—a massive economic area with close to 3 billion people that “represents the biggest market in the world with unparalleled potential.”<sup>54</sup> Later on, in a speech during his Southeast Asian tour on October 3, President Xi spoke of the importance of a 21<sup>st</sup>-century

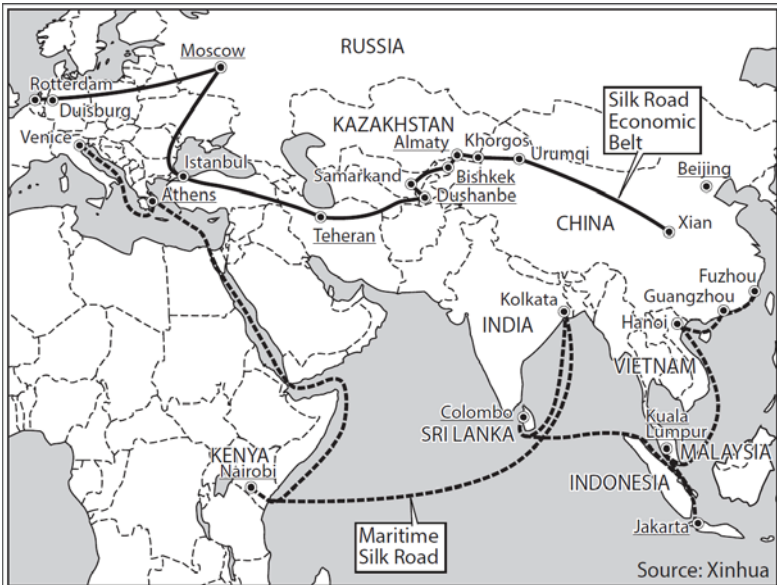
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<sup>53</sup> Tracy, “The United States and the New Silk Road.”

<sup>54</sup> “Xi proposes a ‘new Silk Road’ with Central Asia,” *China Daily*, September 8, 2013, [http://usa.chinadaily.com.cn/china/2013-09/08/content\\_16952304.htm](http://usa.chinadaily.com.cn/china/2013-09/08/content_16952304.htm).

maritime Silk Road. According to the vision, “the seaway that bridges China and foreign countries is as prestigious as the Silk Road that connects the East and West.”<sup>55</sup> This maritime vision of the Silk Road was echoed almost simultaneously by the Chinese premier, Li Keqiang, in the October 2013 ASEAN-China summit in Brunei, as a part of his seven-point proposal for cooperation in the South-East Asian maritime domain.<sup>56</sup>

Figure 4: Chinese Silk Roads



Source: Xinhuanet (2015). Illustration: Kauko Kyöstiö.

More recently, the state owned *Xinhua News Agency* has provided one of the few visual illustrations of the Chinese vision and particularly its immense scope (Figure 4; see also Tiezzi 2014).<sup>57</sup> The subsequent release of an offi-

<sup>55</sup> “China to pave way for maritime Silk Road,” *Xinhuanet*, October 11, 2013, [http://news.xinhuanet.com/english/china/2013-10/11/c\\_132790018.htm](http://news.xinhuanet.com/english/china/2013-10/11/c_132790018.htm).

<sup>56</sup> Ibid. Li’s proposal is often called the “2+7 co-operation framework” that includes a consensus on two issues and seven concrete proposals; see Justyna Szczudlik-Tatar, “China’s New Silk Road Diplomacy,” *Polski Instytut Spraw Międzynarodowych Policy Paper* 34, no. 82 (December 2013): 3–4, [https://www.pism.pl/files/?id\\_plik=15818](https://www.pism.pl/files/?id_plik=15818).

<sup>57</sup> “Xinwen ‘laoba cha’: ‘21 shiji haishang Sichou zhi Lu guoji yantaohui’ Si Lu pingshu,” *Xinhuanet*, February 2, 2015, [http://www.hq.xinhuanet.com/news/2015-02/12/c\\_](http://www.hq.xinhuanet.com/news/2015-02/12/c_)

cial policy paper by China's National Development and Reform Commission (NDRC) has elaborated on Chinese aspirations in more detail.<sup>58</sup> It has become obvious that China's "One Belt, One Road" initiative is not reducible to the two specific terrestrial and maritime routes suggested in *Xinhua's* image. In fact, already in his 2013 speech on the "economic belt," President Xi put forward a five-point proposal to develop the broader economic area to strengthen relations between China, Central Asia and Europe. This proposal emphasized increased policy communication to help joint economic cooperation, the development of transport and other networks to facilitate intra- and intercontinental trade, and the improvement of trade relations by eliminating trade barriers and reducing trade and investment costs. Two more highlights were the enhancement of financial cooperation with the aim of decreasing transaction costs and reducing financial risks and the strengthening of cultural relations, for example through government-sponsored scholarships, study tours and various kinds of cultural events.<sup>59</sup>

Policy communication, infrastructure development and financial cooperation are currently the three most topical embodiments and tools of the Silk Road initiative. In order to establish a favorable political environment, China has engaged in active high-level political dialogue with prospective partners along the maritime and terrestrial Silk Roads. It has established strategic partnerships with all five Central Asian states (Kazakhstan in 2005 and 2011, Uzbekistan in 2012 and Kyrgyzstan, Turkmenistan and Tajikistan in 2013) as well as with ASEAN countries (Malaysia in 2013 and Indonesia in 2005 and 2013).<sup>60</sup> The typical policy is that bilateral relations are upgraded to strategic partnerships and coupled with mutually beneficial ("win-win") economic cooperation and projects. Concretely, this has meant infrastructure development to facilitate economic flows and ultimately also Chinese economic and political influence along the two Silk Roads. Through financing and by carrying out construction projects China continues to pursue the establishment

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1114350540.htm; see also Shannon, Tiezzi, "China's 'New Silk Road' Vision Revealed," *The Diplomat*, May 9, 2014, <http://thediplomat.com/2014/05/chinas-new-silk-road-vision-revealed/>.

<sup>58</sup> National Development and Reform Commission (NDRC) of People's Republic of China, "Vision and Actions on Jointly Building Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road," March 28, 2015, [http://en.ndrc.gov.cn/newsrelease/201503/t20150330\\_669367.html](http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html).

<sup>59</sup> Szczudlik-Tatar, "China's New Silk Road Diplomacy," 3, and "Xi proposes a 'new Silk Road' with Central Asia."

<sup>60</sup> Szczudlik-Tatar, "China's New Silk Road Diplomacy," 5.

of a vast network of international connections: transport corridors overland (roads, high-speed railways) and at sea (sea routes), oil and natural gas pipelines as well as extraction infrastructure, telecommunications infrastructure (“Information Silk Road”), airports and ports, special economic zones, and so on.<sup>61</sup>

In regard to the “economic belt” across Central Asia, in particular, these include more localized initiatives with strategic value, such as the establishment of an agricultural free trade zone along the Xinjiang-Tajikistan border<sup>62</sup> and the establishment of the Kashgar special economic zone<sup>63</sup>. They also include broader, regional and trans-regional initiatives with strategic significance, such as: the Kazakhstan–China oil pipeline that bypasses Russia and transports Caspian oil directly to China<sup>64</sup>; the Central Asia–China gas pipeline that bypasses Russia’s Gazprom-Transneft network and transports natural gas from Turkmenistan via Kazakhstan and Uzbekistan to China’s new West-East pipeline<sup>65</sup>; the establishment of a China-Pakistan overland transport corridor between Kashgar and the Chinese-operated port of Gwadar in Pakistan in order to provide China with alternative access to Middle Eastern oil<sup>66</sup>; the China-Kyrgyzstan-Uzbekistan railroad that could move Chinese low-value goods from Xinjiang to Central Asia and bring Central Asian products, such as uranium from Uzbekistan, to China<sup>67</sup>; and the China-Europe railroad to connect inland China to Central Europe (illustrations in *Figures 5 and 6*).<sup>68</sup>

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<sup>61</sup> NDRC, “Vision and Actions on Jointly Building Silk Road Economic Belt,” and Scott Kennedy and David A. Parker, “Building China’s ‘One Belt, One Road,’” *Center for Strategic and International Studies*, April 3, 2015, <http://csis.org/publication/building-chinas-one-belt-one-road>.

<sup>62</sup> Zhendong Pu, “China, Tajikistan eye free trade zone in agriculture,” *People’s Daily Online*, September 5, 2013, <http://english.peopledaily.com.cn/90778/8389951.html>.

<sup>63</sup> Alessandro Ripa, “Kashgar on the Move,” *The Diplomat*, October 14, 2013, <http://thediplomat.com/2013/10/kashgar-on-the-move/>.

<sup>64</sup> Alexander Cooley, *Great Games, Local Rules: The New Great Power Contest in Central Asia* (New York: Oxford University Press, 2012), 92–93.

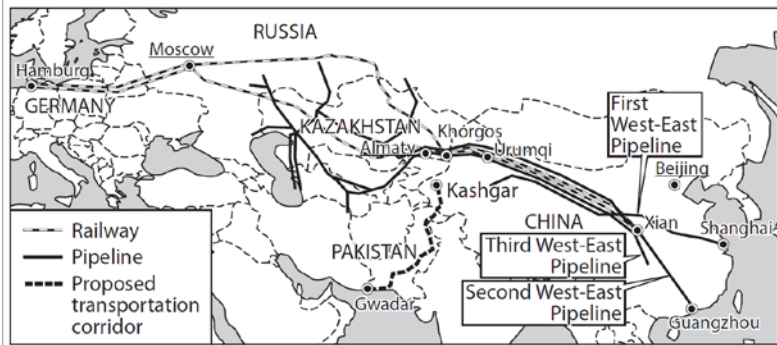
<sup>65</sup> *Ibid.*, 94.

<sup>66</sup> Stratfor, “China’s Ambitions in Xinjiang and Central Asia: Part 1,” September 20, 2013, [https://www.stratfor.com/analysis/chinas-ambitions-xinjiang-and-central-asia-part-1?0=ip\\_login\\_no\\_cache%3D35a6054bbc3be23be9604aa0e6c88666](https://www.stratfor.com/analysis/chinas-ambitions-xinjiang-and-central-asia-part-1?0=ip_login_no_cache%3D35a6054bbc3be23be9604aa0e6c88666).

<sup>67</sup> Stratfor, “China and Central Asia’s Railroad Ambitions,” November 20, 2012, <https://www.stratfor.com/analysis/china-and-central-asias-railroad-ambitions>.

<sup>68</sup> Xinhuanet has reported that there is “a total of 23 key projects with an investment of close to 20 billion Yuan (3 billion U.S. dollars) [including] 5 railways, 14 highways and 3 airports” that will go into construction in 2014 alone. “Joining the dots along Xinjiang’s

Figure 5: China-Central Asia Transport and Energy Connections.



Source: Stratfor (2013). Illustration: Kauko Kyöstiö.

To facilitate infrastructure development, China has not only financed projects bilaterally (e.g. loans as prepayments of natural resources), but also moved to establish new funding mechanisms. In November 2014, China announced the establishment of a \$40 billion Silk Road Fund, managed by Chinese policy banks, to fund infrastructure, resource extraction, industrial and financial cooperation projects along the two Silk Roads. In the previous month representatives of 21 Asian nations had gathered in Beijing to sign a memorandum of understanding on establishing a new multilateral Asian Infrastructure Investment Bank (AIIB)—a Chinese alternative to the Asian Development Bank dominated by Japan—with capital of \$50 billion to finance various infrastructure projects in the greater Asian region.<sup>69</sup> Simultaneously the establishment of the Shanghai Cooperation Organization financing institution is under discussion amongst the member states.<sup>70</sup>

Silk Road,” *Xinhuanet*, March 22, 2014, [http://news.xinhuanet.com/english/china/2014-03/22/c\\_133206639.htm](http://news.xinhuanet.com/english/china/2014-03/22/c_133206639.htm).

<sup>69</sup> “China to create US\$40 billion Silk Road Fund to upgrade Asia links,” *South China Morning Post*, November 9, 2014, <http://www.scmp.com/news/china/article/1635391/china-create-us40-billion-silk-road-fund-eurasian-infrastructure>; “21 Asian countries sign MOU on establishing Asian Infrastructure Investment Bank,” *Xinhuanet*, October 24, 2014, [http://news.xinhuanet.com/english/business/2014-10/24/c\\_133740149.htm](http://news.xinhuanet.com/english/business/2014-10/24/c_133740149.htm); “China pledges 40 bln USD for Silk Road Fund,” *Xinhuanet*, November 8, 2014, [http://news.xinhuanet.com/english/china/2014-11/08/c\\_133774993.htm](http://news.xinhuanet.com/english/china/2014-11/08/c_133774993.htm), and Wang Zheng, “China’s Alternative Diplomacy,” *The Diplomat*, January 30, 2015, <http://thediplomat.com/2015/01/chinas-alternative-diplomacy/>.

<sup>70</sup> NDRC, “Vision and Actions on Jointly Building Silk Road Economic Belt.”

## *The Rationale for the Chinese Initiative: Broad Objectives in Geostrategic Contexts*

In order to understand China's Silk Road initiative, we must see it as a part of a broader and ongoing Chinese westward expansion—"March to West"<sup>71</sup> or "Pivot to West"<sup>72</sup>—that began with a domestic focus. As Wang explains, modern China's strategic attention has been directed at its coastal areas in the east. When China began to open up, contact with Western powers and Japan took place primarily by maritime routes, which resulted in the placing of many of the Chinese cities and its industry on the East coast. This led to an accumulation of population and wealth in coastal regions. The establishment of Special Economic Zones (SEZs) in south-east China further emphasized this focus. These developments meant that throughout much of China's modern history, its Western regions have remained socio-economically backward as well as lacking contact with the rest of the world.<sup>73</sup>

Beginning with the launch of the *Great Western Development Strategy* by the central government in 2000, China began to pay serious economic attention to developing its Western regions.<sup>74</sup> This regional modernization and industrialization has borne economic fruits. One expert sees "the beginnings of an economic boom in the inland provinces, producing a particularly noticeable impact since 2010."<sup>75</sup> As a consequence, migration flows to the more industrialized coastal area have lessened as work has become available closer by (thereby contributing to labor shortage and a rise in salaries in the East). Furthermore, increased economic activity has resulted in increased demand for energy that could be found close by and through much more direct supply routes from the Middle East and Central Asia.

The development strategy is related to the Chinese aim to secure territorial integrity and maintain political stability in its Western regions, most notably in the multiethnic Xinjiang borderland region that rebelled from the Republic in the interwar-period and remains the home of a critical and politi-

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<sup>71</sup> Jisi Wang, "'Marching Westwards': The Rebalancing of China's Geostrategy," *International and Strategic Studies Report* no. 73 (October 7, 2012).

<sup>72</sup> Ankit Panda, "China's Pivot West," *The Diplomat*, October 29, 2013, <http://thediplomat.com/2013/10/chinas-pivot-west/>.

<sup>73</sup> Wang, "Marching Westwards," 1–3; see also Szczudlik-Tatar, "China's New Silk Road Diplomacy," 2.

<sup>74</sup> Wang, "Marching Westwards," 1–3, and Cooley, *Great Games, Local Rules*, 77.

<sup>75</sup> Chen Yo-Jung, "China's Westward Strategy," *The Diplomat*, January 15, 2014, <http://thediplomat.com/2014/01/chinas-westward-strategy/>.



cally active Uighur population.<sup>76</sup> The official Chinese policy assumes that the promotion of rapid economic development—supported by massive state investments and subsidies—coupled with increased contact with the east will change local ethnic and cultural identities over time, thus decreasing the danger of regional political instability or outright separatism. China has also not shied away from using coercion in the region to suppress Uighur organizations with either nationalist or separatist agendas—to combat what the Chinese consider the “three evils” of religious extremism, separatism and terrorism. Since the early 2000s, China has advanced regional security cooperation through the Shanghai Cooperation Organization (SCO) to combat these “evils” in its Western parts and beyond in Central Asia.<sup>77</sup>

Today, the Chinese march to the West is increasingly international in character. China is not ignorant of political instability due to ethnic tensions, intertwined borderlands and border disputes, and the presence of the “three evils” close by in Central Asia. In particular, China fears a potential “domino effect” in which instability in neighboring states would spill over into Western China. Much like in Xinjiang, China has an interest in stabilizing the region through a combination of improved political relations, economic development and security cooperation. The first of these is pursued with strategic partnerships, the second through growing economic investments in the region, particularly in the hydrocarbon sector and infrastructure projects, and the third through multilateral cooperation in the SCO in order to improve its regional capability in fighting the “three evils.”<sup>78</sup>

The Chinese march to the West is also related to a broader geostrategic scenario within which China finds itself confronting foreign powers. While China remains broadly committed to the global liberal economic order, it pursues regional hegemony in the Asia-Pacific. To counter the rise of China

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<sup>76</sup> China’s relatively neglected western regions, such as Xinjiang, can be seen as buffer zones that have been incorporated in order to protect its heart in East China, see Stratfor, “China’s Ambitions in Xinjiang and Central Asia.”

<sup>77</sup> Cooley, *Great Games, Local Rules*, 76–77, and Tyler Roney, “The Shanghai Cooperation Organization: China’s NATO?,” *The Diplomat*, September 11, 2013, <http://thediplomat.com/2013/09/the-shanghai-cooperation-organization-chinas-nato-2/>. Some analysts, such as Roney, argue sharply that the SCO conception of security is deeply troubling from the perspective of human rights (or lack thereof) and that, even if they are a part of an international frame of “counterterrorism,” the “three evils” amount to nothing more than a “catch-all excuse for domestic crackdowns.”

<sup>78</sup> Camille Brugier, “China’s way: the new Silk Road,” *European Union Institute for Security Studies Brief* 14 (May 2014), [http://www.iss.europa.eu/uploads/media/Brief\\_14\\_New\\_Silk\\_Road.pdf](http://www.iss.europa.eu/uploads/media/Brief_14_New_Silk_Road.pdf), and Szczudlik-Tatar, “China’s New Silk Road Diplomacy,” 5.

in general and in the Asia-Pacific in particular, the U.S. has been rebalancing its strategic attention to the region.<sup>79</sup> This has meant that China increasingly perceives itself as being a target of a comprehensive U.S. policy of “containment” pursued through strengthening military partnerships and efforts to undermine Sino-ASEAN political relations as well as Chinese-led regional economic integration, notably the Free Trade Area of the Asia-Pacific (FTAAP) through the promotion of the U.S.-led Trans-Pacific Partnership (TPP). In this potentially zero-sum situation, where both the U.S. and China are seeking to expand (or at least maintain) their own influence in the region, China recognizes the danger of an open confrontation with the U.S. and pursues a policy that combines gradual military build-up at home with new politico-economic diplomacy abroad.<sup>80</sup>

A growing geostrategic emphasis on regions to the west of China—including Central Asia and the Middle East—currently presents the leadership in Beijing with a more favorable option than open U.S.-Sino confrontation, with much less to lose and much more to gain. The U.S. withdrawal from Iraq and Afghanistan opens up geopolitical and geo-economic space into which China can advance and from which it can reap economic (resource extraction, market penetration), political (conversion of economic influence into political power) and security (development of Central Asian countries) benefits with almost no risk of a direct military confrontation between the two—something that is much more difficult to achieve in the Asia-Pacific. Although China’s Silk Road initiative is a rival to the U.S. economic strategy, there is potential for a cooperative U.S.-China relationship in the region, for example because of common interests in economic investment, energy issues, counterterrorism and maintaining regional stability as a whole.

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<sup>79</sup> Hillary Clinton, “America’s Pacific Century,” *Foreign Policy* 189, (November 2011): 56–63. For a critical discussion, see Elisabeth C. Economy, Michael Fullivore, and Sheila A. Smith, “What Happened to the Asia Pivot in 2013?,” *Council on Foreign Relations*, December 2013, [http://www.cfr.org/china/happened-asia-pivot-2013/p32108?cid=rss-analysisbriefbackgroundersexp-what\\_happened\\_to\\_the\\_asia\\_pivo-122013](http://www.cfr.org/china/happened-asia-pivot-2013/p32108?cid=rss-analysisbriefbackgroundersexp-what_happened_to_the_asia_pivo-122013).

<sup>80</sup> Sun Yun, “March West: China’s Response to the U.S. Rebalancing,” *Brookings Institution*, January 31, 2013, <http://www.brookings.edu/blogs/up-front/posts/2013/01/31-china-us-sun>; Wang, “‘Marching Westwards’,” and Zheng, “China’s Alternative Diplomacy.” In the military sphere, China has been pursuing so-called anti-access and area denial capabilities to counter U.S. maritime presence in the Asia-Pacific. In the politico-economic sphere, China has adopted a two-track approach whereby it pursues its interests by establishing new favorable regional economic initiatives (Silk Roads) and institutions (AIDB, FTAAP) whilst at the same time continuing its participation in existing, less favorable organizations (e.g. the WTO, WB, and ADB).

In Afghanistan, in particular, the U.S. has signaled that China could contribute more to the stabilization of the country.<sup>81</sup>

As China has become an important investment and trade partner in Central Asian states, Beijing's vision of the "economic belt" also contests Moscow's attempt to establish the multi-dimensionally challenged Eurasian Economic Union<sup>82</sup> in the region. While sharing the strategic interest of countering U.S. hegemony, Moscow is uneasy about a significant expansion of Chinese economic reach including energy and transport links to Central Asia that will not only diminish Russia's economic footprint but will also be converted into Chinese political power in Russia's traditional sphere of influence, thereby reducing its role to that of a mere "junior partner" for Beijing.<sup>83</sup> As a result of the crisis in Ukraine, Russia has found itself increasingly isolated from the West and it has turned its attention to the east and, particularly, to China. This has meant new energy deals and investments from China—notably for expensive hydrocarbon extraction projects in eastern Siberia and the Arctic—with terms that may turn out to be unfavorable to Russia.

As a growing market, China expresses rising demand for a stable and secure supply of energy from alternative sources. As a consequence of this, access to energy reserves in Central Asia has become increasingly important for China.<sup>84</sup> This has also suited Central Asian countries, which have been looking for new export markets so as to reduce their dependence on Russia.<sup>85</sup> From this perspective, President Xi's tour in the region in September 2013 was illustrative. During the trip, a range of investment, trade and loan agreements were reached with strategic partnership countries, in total worth over \$50 billion. Oil-rich Kazakhstan was the prime target of the trip with deals amounting to up to \$30 billion, primarily related to oil extraction and the transport thereof. China National Petroleum Company (CNPC) invested \$5 billion in the Kashagan offshore oil field in the Caspian Sea from which oil is transported to China via existing pipeline infrastructure (*Figure 5*). Another

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<sup>81</sup> Yun, "March West," and Wang, "'Marching Westwards'."

<sup>82</sup> Sean Roberts et al., "The Eurasian Economic Union: Breaking the Pattern of post-Soviet Integration?," *The Finnish Institute of International Affairs, FIIA Analysis 3* (2014).

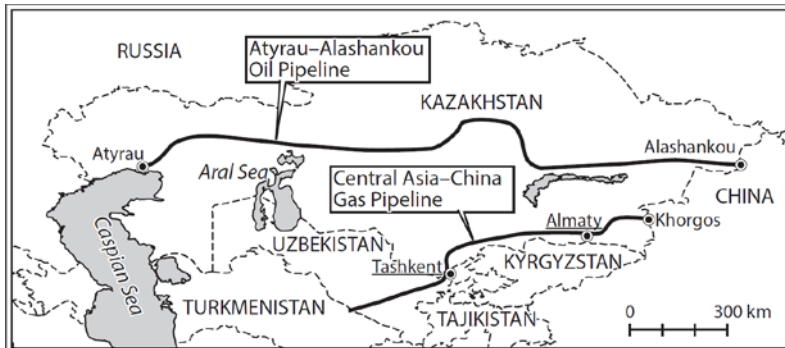
<sup>83</sup> Cooley, *Great Games, Local Rules*, 70–71; see also Martha Brill Olcott, "China's Unmatched Influence in Central Asia," *Carnegie Endowment for International Peace*, September 18, 2013, <http://carnegieendowment.org/2013/09/18/china-s-unmatched-influence-in-central-asia/gzw2>.

<sup>84</sup> Cooley, *Great Games, Local Rules*, 90.

<sup>85</sup> Marlène Laruelle and Sébastien Peyrouse, *Chinese Question in Central Asia: Domestic Order, Social Change, and the Chinese Factor* (London: Hurst & Company, 2012), 63.

set of agreements was reached in Uzbekistan where Beijing and Tashkent completed oil, gas and uranium deals worth of \$15 billion. In Turkmenistan, China's interests were primarily related to the expansion of production and supply of Turkmen natural gas to China. The Turkmen government pledged to supply China with an additional 25 billion cubic meters of natural gas annually by 2020, and in return Beijing agreed to finance the redevelopment of the massive Galkynysh gas field—the second largest in the world—and additional pipeline projects to carry the increased supply to China.<sup>86</sup>

Figure 6: Central Asia–China Oil and Gas Infrastructure



Source: Cooley (2012). Illustration: Kauko Kyöstiö.

Until the early 1990s, China was self-sufficient in oil. With subsequent growth rates exceeding 10 percent per year, it soon became dependent on foreign oil.<sup>87</sup> In 2009, China became the second-largest consumer of oil after the U.S. and, assuming continued economic growth, it will surpass the U.S. in the near future. While coal remains the primary source of energy (around 70 percent), a significant part of the total energy consumption in China—18 percent in 2011—is covered by oil. China's overall demand of oil reached 10.7 million barrels per day (bbl/d) in 2013 and more than half of it—circa 5.6 million bbl/d—was imported to China. According to 2011 statistics, the single largest exporter of oil to China is Saudi Arabia, with a volume of over

<sup>86</sup> Emily Feng, "Marching West: Regional Integration in Central Asia," *Huffington Post*, January 11, 2014, [http://www.huffingtonpost.com/china-hands/marching-west-regional-integration\\_b\\_4581020.html](http://www.huffingtonpost.com/china-hands/marching-west-regional-integration_b_4581020.html). For a discussion on Chinese interest in Central Asian energy pre-date 2013, see Laruelle and Peyrouse, *Chinese Question in Central Asia*, 66–68.

<sup>87</sup> Laruelle and Peyrouse, *Chinese Question in Central Asia*, 64.

1 million bbl/d, whereas Iran with 0.5 million and Iraq with 0.27 million bbl/d are also important sources of oil for China.<sup>88</sup> In conjunction with the worst-case geostrategic scenario in which the U.S. would cut the supply of oil by blocking the Strait of Malacca, this increases the importance of alternative transport routes for Middle Eastern and African oil.

To alleviate its over-reliance on the Asia-Pacific maritime routes, China has investigated the possibility of an alternative maritime corridor (Northern Sea Route), energy sources (Yamal LNG) and logistics hubs (Iceland) in the opening Arctic.<sup>89</sup> It has also invested in the development of transport and energy infrastructure as well as logistic hubs on land in order to bypass the Strait of Malacca. We have already mentioned the transport corridor between Kashgar (Xinjiang) and the Gwadar port in Pakistan. In April 2015, President Xi unveiled infrastructure and energy projects, worth \$46 billion in total, for its establishment as an economic corridor with road infrastructure, railways and oil and gas pipelines. Previously China had already invested in the development of the trans-shipment terminal in Gwadar, with several multipurpose berths and oil terminals. In 2013, China took over operational control of the port as the Singaporean company, PSA International, was replaced by the state-run Chinese Overseas Port Holdings (COPHC).<sup>90</sup>

Finally, China also has a long-term interest in developing transport infrastructure to facilitate trade flows connecting growing Western China with the global market place. In its immediate neighborhood, Central Asia exhibits some potential for economic growth<sup>91</sup> which China has an interest of tapping

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<sup>88</sup> Energy Information Administration (EIA), "China: Overview, 2011," accessed February 5, 2015, <http://www.eia.gov/countries/cab.cfm?fips=ch>.

<sup>89</sup> Juha Käpylä and Harri Mikkola, "The Global Arctic: The Growing Arctic Interests of Russia, China, the United States and the European Union," *The Finnish Institute of International Affairs, Briefing Paper* 133 (2013), 5, <http://www.fiia.fi/assets/publications/bp133.pdf>.

<sup>90</sup> Zahid Ali Khan, "China's Gwadar and India's Chahbahar: an analysis of Sino-India geo-strategic and economic competition," *Strategic Studies* 32/33, no. 4/1 (Winter 2012–Spring 2013): 79–101; Qandeel Siddique, "Deeper than the Indian Ocean? An Analysis of Pakistan-China Relations," *Centre for International and Strategic Analysis, SISA Report*, no. 16 (February 2014): 34–35, [http://strategiskanalyse.no/Publikasjoner%202014/2014-02-27\\_SISA16\\_Sino-Pak\\_QS.pdf](http://strategiskanalyse.no/Publikasjoner%202014/2014-02-27_SISA16_Sino-Pak_QS.pdf); Stratfor, "China's Ambitions in Xinjiang and Central Asia"; Katharine Houreld, "Chinese president to launch economic corridor link in Pakistan," *Reuters*, April 19, 2015, <http://www.reuters.com/article/2015/04/19/us-pakistan-china-idUSKBN0NA12T20150419>. On the military strategic value of the base, see Khan, "China's Gwadar and India's Chahbahar," 82.

<sup>91</sup> See OECD, "Competitive outlook for Central Asia: Key Findings," July 2011, <http://www.oecd.org/globalrelations/46973993.pdf>.

into, at least by providing the region's markets with low-cost products from western Chinese manufacturing sites. However, other markets, most notably those in Europe, are the main target. This requires the establishment of a comprehensive land-based transport network consisting of highways and high-speed railroads to Eastern and Central Europe. In rail transport, this has already started to become a reality when the China-Europe railroad from Zhengzhou in Henan province to Hamburg, Germany was inaugurated in 2013. While certainly not a full-blown alternative to maritime logistics, continental railways do provide some economic incentives as it reduces the time (by 2 weeks) and expenses (by 25 percent) for transporting certain manufacturing goods from China to Europe. The savings in expenses are even higher when compared to air logistics. The electronics company Foxconn, computer manufacturer Hewlett-Packard and the logistics company DHL already utilize this railway to ship their products from western Chinese manufacturing sites to European markets.<sup>92</sup>

## **Silk Road Initiatives and the Future of Central Asia**

What future should one expect for Central Asia in the light of these two strategic Silk Road initiatives? While both rely primarily on the establishment of resource and trade flows and related infrastructure, the strategies suggest two alternative approaches for organizing the practices that make economic and political space in Central Asia. The U.S. Silk Road initiative emerges from the specific problem of Afghanistan and amounts to a limited regional economic strategy that emphasizes vertical (North-South) terrestrial interconnectivity between Central Asia and India, i.e. energy and logistic connections between land-locked Central Asian countries and India with Afghanistan as the gateway and benefactor in between. The current strategy, as discussed, is derived from the experience of the Northern Distribution Network during the war in Afghanistan. Paradoxically, though, the NDN was more extensive in scope and varied in direction as its routes

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<sup>92</sup> Stratfor, "China's Ambitions in Xinjiang and Central Asia"; see also Keith Bradsher, "Hauling New Treasure Along the Silk Road," *International New York Times*, July 20, 2013, [http://www.nytimes.com/2013/07/21/business/global/hauling-new-treasure-along-the-silk-road.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/07/21/business/global/hauling-new-treasure-along-the-silk-road.html?pagewanted=all&_r=0); Laruelle and Peyrouse, *Chinese Question in Central Asia*, 52.

shipped U.S. military equipment through Europe, the Caucasus and Russia to Afghanistan.<sup>93</sup> In the interest of facilitating regional interconnectivity in Central Asia, the U.S. strategy is a politically multilateral approach that seeks to leverage the cooperation of regional states (as responsible stakeholders), international organizations (the World Bank) and the private sector, with the latter two serving as primary sources of finance.

China's Silk Road initiative differs from the U.S. version in crucial aspects. First, it is more varied in nature, including the maritime and terrestrial parts, the latter of which contains various routes for logistic and resource flows. It is also significantly broader in scope, consisting of routes that span not only the Eurasian continent but also the whole of the southern maritime route to Africa, the Middle East and Europe. And lastly, it is primarily horizontal (East-West) in its direction of interconnectivity, and aims to connect China to European commodity markets as well as to African, Middle Eastern and Central Asian resource bases.

All this suggests that the Chinese Silk Road strategy is not merely the manifestation of a "neighborhood policy"<sup>94</sup> designed to create a favorable geopolitical environment in Central (economic belt) and South-East (maritime road) Asia, but also reflects China's global approach to secure its own economic growth and political stability ("go out" policy), and through them, its growing global political aspirations. The focus on adjacent geopolitical regions such as Central Asia can be seen as a necessary step in China's broader objectives in the long term. In this respect, and again unlike the U.S., China's political approach emphasizes bilateral strategic partnerships, such as those China has formed in Central Asia, through which a favorable geopolitical climate can be established. China also emphasizes public capital to fund costly infrastructure projects with these strategic partners. This is even the case with the establishment of the new multilateral Asian financial instrument in which China, as the leading country, assumes the greatest burden in financing.

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<sup>93</sup> In a more speculative mode we may argue that at best, and if successful, the U.S. Silk Road initiative could be read as a first step for the integration of "Greater Central Asia" into the global economy via India, i.e. by using the "pull effect" of the growing market and global maritime connectivity of this country. The U.S. rhetoric, however, has emphasized for the most part a regional and terrestrial approach, with Afghanistan as the relevant backdrop.

<sup>94</sup> Marc Julienne, "China's relations with Central Asia," in "China's Neighbourhood Policy," *European Council on Foreign Relations and Asia Centre*, February 2014, [http://www.ecfr.eu/page//China\\_Analysis\\_China\\_s\\_Neighbourhood\\_Policy\\_February2014.pdf](http://www.ecfr.eu/page//China_Analysis_China_s_Neighbourhood_Policy_February2014.pdf).

Of these differing strategies, it is the Chinese initiative that is currently the more feasible one—at least if regarded through the prisms of resource commitments, security and regional geopolitics. First, in terms of resource commitments China has been remarkably successful in implementing difficult and costly infrastructure projects by combining strategic partnership with significant, and mutually beneficial, public funding (and often-imported workforce) with various key countries, notably in Central Asia. The newly established Silk Road Fund and the Asian Infrastructure Investment Bank further highlight Chinese seriousness about implementing the strategy and its numerous projects. The U.S., on the other hand, has struggled to match financial commitments with great ambitions, such as the TAPI gas pipeline and the CASA-1000 energy network that remain “work-in-progress.” Much of the U.S.’s reticence stems from post-2008 economic challenges, the memory of high financial—as well as human and political—costs of its engagement to stabilize and rebuild Afghanistan for over a decade, and a domestic political environment opposed to new costly involvement abroad.<sup>95</sup> The U.S. has directly supported the flagship CASA-1000 project with a mere \$15 million following the March 2014 commitment of \$526 million by the World Bank (in which, however, the U.S. remains a major donor).<sup>96</sup> This captures the current U.S. sentiment that Silk Road projects are to be realized “with limited government support.”<sup>97</sup>

Second, the Chinese Silk Road initiative—particularly its terrestrial “economic belt” across Central Asia—suffers less than the U.S. strategy from the increasingly fragile security situation in Afghanistan.<sup>98</sup> Apart from relatively limited Chinese investments in Afghanistan, notably in its resources sector, the majority of Chinese hard infrastructure projects bypass Afghanistan and are directed to other Central Asian countries, such as Kazakhstan for oil and Turkmenistan for gas, or beyond Central Asia

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<sup>95</sup> President Obama’s 2012 decision to end the era of U.S. stability operations finalized the demoted strategic importance of Central Asia. See Aaltola, Käpylä, and Vuorisalo, *The Challenge of Global Commons and Flows*, 106.

<sup>96</sup> USDS, “U.S. Support for the New Silk Road.”

<sup>97</sup> Hormats, “The United States’ ‘New Silk Road’ Strategy.”

<sup>98</sup> Davin Alexander and Phil Stewart, “Afghan casualties on battlefield at unsustainably high level: U.S. general,” *Reuters*, November 5, 2014, <http://www.reuters.com/article/2014/11/05/us-usa-afghanistan-idUSKBN0IP2MM20141105>; Kay Hormats, “Civilian deaths in Afghanistan war reach new high in 2014: U.N.” *Reuters*, December 19, 2014, <http://www.reuters.com/article/2014/12/19/us-afghanistan-casualties-idUSKBN0JX1ZS20141219>.



altogether. Furthermore, as Chinese have been reluctant to become involved in the Afghan stability operation and have, in fact, had a long relationship with the Taliban (and their *de facto* sponsor, Pakistan), they are less likely than U.S. forces or projects to become the target of anti-government violence to begin with. Much like in South Sudan, China even appears to have sought to broker a deal between the Taliban and the Afghan government by hosting Taliban representatives in China.<sup>99</sup> Simultaneously China has its own problem with indigenous Uighur Muslim separatists in Xinjiang that have connections to groups in Afghanistan and Pakistan (and in bordering Central Asian countries). Thus, the fragile security situation in Afghanistan does affect via proxy the western part of China through which infrastructure projects enter and exit China.

By contrast, the U.S. Silk Road strategy is particularly vulnerable to the security situation in Afghanistan. Afghanistan is the “heart” of the whole strategy, and insecurity in the country undermines the economic, social and political recovery of the country in general. Furthermore, key infrastructure projects of the U.S. strategy—the TAPI gas line and the CASA-1000 energy network—are to pass through volatile Afghan and Pakistani territory where continued insecurity will risk financial prospects and practical implementation.<sup>100</sup> This entails that stability in the country is paramount for the successful execution of the strategy; such is not the case and the U.S. has found itself faced with a conundrum. Moreover, given the currently limited capability of Afghan security forces, full withdrawal would be likely to create a security vacuum in which anti-government and other radical groups could achieve territorial control at least in certain parts of Afghanistan, thus annulling the effort of the U.S. and the coalition forces over the course of more than a decade to stabilize the country as well as endangering any prospect for economic recovery envisaged in the Silk Road initiative.

In order to respond to resurging violence, Afghan security forces have decided to resume the controversial “night raids” into private homes—banned in 2013 by President Karzai due to their offensive nature—in order to hit the Taliban when and where they are at their most vulnerable. However, Afghan forces lack the capability to execute this effectively, thereby

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<sup>99</sup> Shannon Tiezzi, “China hosted Afghan Taliban for talks: Report,” *The Diplomat*, January 7, 2015, <http://thediplomat.com/2015/01/china-hosted-afghan-taliban-for-talks-report/>.

<sup>100</sup> Reid Standish, “The United States’ Silk Road to Nowhere,” *Foreign Policy*, September 29, 2014, <http://foreignpolicy.com/2014/09/29/the-united-states-silk-road-to-nowhere-2/>.

prompting President Obama to quietly continue limited combat operations with the remaining U.S. forces in Afghanistan. This means in particular the provision of “combat enabler support,” including air support, transportation, intelligence, and communications that are critical in mobile night raids.<sup>101</sup> Whether this will solve the security problem remains to be seen but appears unlikely, given that even the 2009 surge was not able to accomplish this.

Third, while the antagonistic regional geopolitical situation remains challenging for both strategies, the Chinese are, and have already been, more successful than the U.S. in navigating these stormy waters. By relying on bilateral partnerships and lucrative financial arrangements, the Chinese have clearly recognized that Central Asia, where the former Soviet republics are particularly wary about defending their sovereignty and where conflicts have erupted over poorly demarcated borderlines and strategically important water resources and hydropower installations<sup>102</sup>, is not likely to become a unitary regional grouping with aligned policies. Moreover, by involving all countries China has not only succeeded in diversification but has also established incentives for national elites to secure Chinese projects, even amidst rising nationalistic fears of “Chinese take-over” or poor employment practices in the region.<sup>103</sup> Furthermore, as Chinese investments are not conditional on social transformation, e.g. the promotion of democracy or human/gender rights, not only are the Chinese more welcome among many of the region’s elites, but China itself considers to have contributed to regional security by bolstering national economic development and the resources of governments and local elites.

While the U.S. did pursue bilateral arrangements, including substantive and often murky financial compensation, with Central Asian governments and elites during the war in Afghanistan, most notably in order to secure

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<sup>101</sup> Rod Nordland and Taimoor Shah, “Afghanistan Quietly Lifts Ban On Nighttime Raids,” *New York Times*, November 23, 2014, [http://www.nytimes.com/2014/11/24/world/asia/afghanistan-quietly-lifts-ban-on-night-raids.html?\\_r=1](http://www.nytimes.com/2014/11/24/world/asia/afghanistan-quietly-lifts-ban-on-night-raids.html?_r=1); Mark Mazzetti and Eric Schmitt, “In a Shift, Obama Extends U.S. Role in Afghan Combat,” *New York Times*, November 21, 2014, <http://www.nytimes.com/2014/11/22/us/politics/in-secret-obama-extends-us-role-in-afghan-combat.html>.

<sup>102</sup> See e.g. “Central Asia: South Asia Energy Project a Pipe Dream?,” *Eurasianet.org*, June 20, 2013, <http://www.eurasianet.org/node/67151>.

<sup>103</sup> For an example of antagonistic relations from Kyrgyzstan, see David Trilling, “Kyrgyzstan: Chinese respond to latest Mine attack,” *Eurasianet.org*, October 30, 2012, <http://www.eurasianet.org/node/66121>.

important military bases and fuel supply<sup>104</sup>, the U.S. Silk Road strategy has pursued a multilateral approach that overestimates the potential for trust and cooperation in a divided and conflict-prone region—particularly so in the absence of direct U.S. financial compensation and strong diplomatic pressure. For example, disputes over water resources and hydropower installations are likely to affect negatively the finalization of the CASA-1000 project that ought to transport hydropower from Central Asia all the way to India. Moreover, the U.S. approach has also overestimated the willingness of private investors given both Afghan insecurity and regional geopolitical uncertainty. The U.S. initiative has also included elements of social transformation, e.g. in relation to human rights/gender issues, the fight against corruption and improved border control, that may be difficult to accomplish in some countries, the former because of enduring patriarchal practices and fears of bottom-up democratization processes and the latter two due to the systemic nature of corruption.<sup>105</sup> Conditionality is unlikely to advance U.S. efforts.

Regional geopolitics is further complicated by the presence of a third great power, Russia. While the collapse of the Soviet Union meant the loss of Russia's formal authority over the five Central Asian countries, China recognizes Russia as a notable player in the region in various relevant spheres.<sup>106</sup> First, and foremost, Russia leads the Collective Security Treaty Organization (CSTO) and continues to have a notable military presence in the region, including bases in Kyrgyzstan and Tajikistan. Russia also has already existing economic and energy relations, and has been pursuing regional integration through the Customs Union and the Eurasian Economic Union (EEU, alternatively abbreviated EAEU), even if the future of this project is uncertain.<sup>107</sup>

Both the U.S. and Chinese Silk Road initiatives can be read as geo-economic alternatives to the EEU. While the U.S. Silk Road strategy explicitly excludes Russia—and given current East-West tensions this is unlikely to change—the Chinese have remained relatively ambiguous about

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<sup>104</sup> Cooley, *Great Games, Local Rules*, 28–29.

<sup>105</sup> Lee, “The New Silk Road.”

<sup>106</sup> Hongzhou Zhang, “China’s Proposed Silk Road: Problems and Priorities in Central Asia,” *Rajaratnam School of International Studies Commentary*, no. 167 (August 20, 2014), <http://www.rsis.edu.sg/wp-content/uploads/2014/08/CO14167.pdf>; Cooley, *Great Games, Local Rules*, 51–73.

<sup>107</sup> Roberts et al., “The Eurasian Economic Union.”

possible cooperation or conflict (of interest) between the “economic belt” and the EEU. After the EEU entered into force in January 2015, Foreign Minister Wang Yi stated that China was open to “win-win” cooperation with all interested parties, no matter whether they were countries or organizations.<sup>108</sup> It also must be noted that although China’s interest lies in maintaining stability in Central Asia, it has no willingness to pursue the role of being a security guarantor in the region and, thus, is prepared to accommodate Russia. Offering economic lifelines to Russia serves China in two key respects: first, it seeks to guarantee that Russia remains a strategic partner in its opposition to the U.S. on the global scene without jeopardizing China’s strategic interest in maintaining access to Western markets; and second, by bolstering the “economic belt” it further undermines the already challenged U.S. Silk Road initiative in Central Asia.

## Conclusion

Our analysis shows how both the U.S. and China emphasize the establishment of resource and logistical connectivity in their respective strategies and how the suggested direction, scope and means of establishment are unique in each. By seeking to establish energy and logistics infrastructure, the U.S. Silk Road initiative amounts to a regional and multilateral economic strategy along the vertical axis; it aims to connect resources that can be extracted from the Central Asian countries to emerging and energy-hungry markets in Pakistan and India, with Afghanistan as the critical gateway and benefactor in-between. The Chinese initiative again leverages primarily bilateral relations and state-funding to establish mutually beneficial, complex horizontal infrastructure connectivity not only in Chinese neighborhood, such as in Central Asia, but also beyond, all the way to Europe and Africa. So far, Afghanistan has been a relatively minor part of Chinese investments, but the withdrawal of the majority of U.S. forces and the continuously fragile security situation are likely to demand increased attention from China, too. Based on resource, security, and geopolitical

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<sup>108</sup> Ministry for Foreign Affairs of the People’s Republic of China, “Wang Yi: ‘Belt and Road’ is ‘symphony’ jointly performed by all countries,” February 2, 2015, [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1234406.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1234406.shtml).

considerations, the Chinese strategic initiative is likely to be the more significant external driver of transformation in Central Asia in the near future.

Although it remains uncertain whether the individual projects (and either of the initiatives as a whole) will meet all the expectations attached to them, the practical implications of these developments also have a more general significance. The Silk Road initiatives suggest that the contemporary geopolitical environment in Central Asia is increasingly organized, and defined, by the development of hard (and soft) infrastructure as well as the emerging and strengthening force of regional and global flows through them. This implies a strategic shift of balance away from traditional geopolitics emphasizing the significance of separate territorial entities and strict borders<sup>109</sup> towards also taking into account the interconnections in energy and logistics networks, and with them new dependencies and interdependencies, within and across existing politico-juridical boundaries in the region. All sovereign actors discussed above rely on various strategic flows to a growing degree, even if that degree differs from case to case. At the same time, their abilities to establish, maintain and ultimately secure these networks of infrastructure and flows—precisely the kinds of abilities which are central to state power in today’s “geopolitics of flows”<sup>110</sup>—differ from each other and depend on their positions and resources within the network. The search for these positions, and the accumulation of resources by inviting external assistance and investment so as to open critical bottlenecks, is in full swing in Central Asia. Despite already existing in Western policies linked to Afghanistan, this wider reorganization of the whole region has gathered its own momentum and provided Afghanistan with an instrumental role as a geographic gateway and as a political cause in which to engage in developing the region.

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<sup>109</sup> John Agnew, “The territorial trap: the geographical assumptions of international relations theory,” *Review of International Political Economy* 1, no. 1 (Spring 1994).

<sup>110</sup> For previous discussion on the geopolitics of flows, see Aaltola, Käpylä, and Vuorisalo, *The Challenge of Global Commons and Flows* and Mika Aaltola et al., “Towards the Geopolitics of Flows: Implications for Finland.” *The Finnish Institute of International Affairs, Report* 40 (2014).