

KHAZAR UNIVERSITY

School: Graduate School of Science, Art and Technology

Department: Political Sciences and Philosophy

Specialization: International Relations and Diplomacy

MASTER'S THESIS

Theme: The Rising Influence of China in Central Eurasia (Central Asia and Caucasus)

Student: _____ Murad Yunsurzada Valahaddin

Supervisor: İbrahimov Prof. Dr. Rovshan İbrahimov

Baku – 2025

XƏZƏR UNIVERSİTETİ

Fakültə: Təbiət Elmləri, Sənət və Texnologiya yüksək təhsil

Departament: Siyasi Elmlər və Fəlsəfə

İxtisas: Beynəlxalq Münasibətlər və Diplomatiya

MAGİSTR DİSSERTASIYA İŞİ

Mövzu: Çinin Mərkəzi Avrasiya (Mərkəzi Asiya və Qafqaz) üzərində artan təsiri

İddiaçı: _____ Murad Yunsurzadə Vəlahəddin


Elmi rəhbər:  Professor Rövsən İbrahimov

TABLE OF CONTENTS

INTRODUCTION.....	5
I CHAPTER: LITERATURE REVIEW AND THEORETICAL FRAMEWORK	8
1.1 Contextualizing China's Growing Role in Central Eurasia.....	8
1.2 China's Economic Engagement in Central Asia and the Caucasus.....	9
1.3 Impacts of China's Rise on the Political and Security Landscape of Central Eurasia	10
1.4 China and the Great Game: A Modern Perspective.....	14
1.5 China's Economic Influence in Central Asia: From Resource Extraction to Regional Integration.....	15
1.6 Theoretical Framework: Neorealism (Structural Realism).....	17
II CHAPTER: METHODOLOGY.....	20
2.1. Research Approach and Design	20
2.2. Case Study Approach.....	20
2.3 Limitations of Methodology.....	21
III CHAPTER: HISTORICAL CONTEXT OF CHINA-EURASIA RELATIONS.....	22
3.1. Early Interactions and the Silk Road (Ancient to Medieval Periods)	22
3.2. The Rise of the Timurids and Their Impact on China-Central Asia Relations (Post-Mongol Era)	23
3.3 The Qing Dynasty and Central Asia's Strategic Importance.....	26
3.4 China's Relations with Central Asia and Russia in the 20th Century.....	28
IV CHAPTER: BELT AND ROAD INITIATIVE.....	32
4.1 Belt and Road Initiative: Vision and Objectives	32
4.2 Key Objectives of the Belt and Road Initiative.....	33
4.3 The Strategic Importance of the Belt and Road Initiative (BRI) for China.....	35
4.4 Infrastructure Development and Investment: Key Projects and Regions in the Belt and Road Initiative.....	38
4.5 Challenges and Criticisms of the Belt and Road Initiative.....	41

V CHAPTER: SHANGHAI COOPERATION ORGANIZATION.....	45
5.1 The Origins of the Shanghai Cooperation Organization: From the Shanghai Five to the SCO.....	45
5.2 China's Role in the Formation of the Shanghai Cooperation Organization (SCO).....	48
5.3 China's Growing Influence Through the SCO in Central Asia.....	49
5.4 The Evolution of China's Role in the Shanghai Cooperation Organization (SCO).....	53
VI CHAPTER: CHINA'S GLOBAL STRATEGY: EXPANDING INFLUENCE IN CENTRAL ASIA AND THE CAUCASUS.....	56
6.1 Overview of China's Foreign Policy Objectives.....	56
6.2 China's Economic and Infrastructure Investments in Central Asia and the Caucasus.....	58
6.3 Geopolitical Implications of China's Engagement in the Region.....	60
6.4 Challenges and Future Prospects for China's Investments in Central Asia and the Caucasus.....	63
SUMMARY OF FINDINGS.....	68
CONCLUSION.....	70
REFERENCES.....	72

INTRODUCTION

China's growing influence in Central Eurasia has increasingly become a central topic of global geopolitical discussions. This rising influence is largely driven by China's strategic investments, diplomatic outreach, and infrastructural development, all of which have far-reaching implications for the countries within the region. Central Eurasia, being a region rich in natural resources and strategically located between Europe and Asia, holds significant importance in China's broader global ambitions. Understanding the broader historical context of China's engagement in Central Eurasia is essential to comprehending how the region's alignment with China is transforming the geopolitical landscape.

This research examines how China strengthens its influence in Central Eurasia through its investments and strategic initiatives. While China's investments and engagements have created opportunities for economic development and regional cooperation, they have also posed challenges, particularly in relation to the sovereignty, security, and long-term economic stability of the region's countries. The study will focus on the economic, political, and security dimensions of China's growing presence in Central Eurasia and analyze the implications of this development for the region's future.

Relevance of the Study

China's increasing involvement in Central Eurasia has sparked considerable debate within both regional and global political spheres. The region's geographic position and its wealth of energy resources make it a critical area for China's energy security and trade routes, particularly as part of broader infrastructure projects aimed at strengthening regional connectivity. While these investments offer the possibility of economic growth for the Central Eurasian nations, they also raise concerns regarding economic dependency, political influence, and the potential for security vulnerabilities.

Russia, a key stakeholder in the region, has closely monitored China's engagements, as they affect not only regional economic dynamics but also broader global political interests. China's role in the region is both a challenge and an opportunity for Russia. This study's exploration of China's investments and growing influence in Central Eurasia is timely, as it contributes to understanding the evolving balance of power in this strategically important area of the world.

Purpose of the Study

The purpose of this study is to explore how China strengthens its influence in Central Eurasia through various economic and political strategies, particularly focusing on investments in energy, infrastructure, and trade. This research will investigate the methods through which China expands its presence in the region, assessing the effects of these investments on the political and economic landscape. Moreover, it will evaluate how regional actors, particularly Russia, have responded to China's increasing influence, considering both opportunities and challenges.

Research Objectives

The study will aim to achieve the following objectives:

1. Analyze how China strengthens its growing influence in Central Eurasia, focusing on strategic sectors like energy, infrastructure, and trade.
2. Examine the political and economic implications of China's investments and their impact on the sovereignty and stability of Central Eurasian countries.
3. Evaluate the responses of Russia and other regional powers to China's influence in the region.
4. Assess the long-term prospects of China's investments in terms of regional security, political dynamics, and economic development.

Significance of Study

This study is significant because it addresses the evolving dynamics of China's engagement in Central Eurasia—a region at the crossroads of Europe and Asia. By focusing on the political, economic, and security ramifications of China's investments, the research provides a comprehensive analysis of the potential benefits and risks posed by China's growing influence in the region. The study is of particular importance to policymakers and analysts in Russia, as it will inform strategies for managing relations with China, balancing economic growth with geopolitical and security concerns.

Research Questions

The study will explore the following central questions:

1. How does China strengthen its growing influence in Central Eurasia through investments in key sectors like infrastructure, energy, and trade?

2. What are the political, economic, and security implications of China's investments in Central Eurasia for the region and its global partners, such as Russia?

Outline of the Study

The structure of this study will be as follows: Chapter 1 will provide a literature review and methodology, Chapter 2 will delve into the historical background of Central Eurasia and China's initial engagement with the region, Chapter 3 will examine The Strategic Importance of the Belt and Road Initiative for China, Chapter 4 will discuss The Origins of the Shanghai Cooperation Organization and its role in the process, and Chapter 5 will analyze China's Global Strategy. The study will conclude with a summary of the key findings and policy recommendations for the future trajectory of China's influence in Central Eurasia.

CHAPTER 1. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

1.1 Introduction to China's Influence in Central Eurasia

The rise of China's influence in Central Eurasia has become a focal point in discussions about global geopolitics, particularly since the 1990s, when China's economic growth accelerated. According to Perdue (1998), Central Eurasia's position between Europe, Asia, and the Middle East has always made it a critical region for trade and cultural exchange. In recent years, however, its strategic importance has been reinvigorated by China's Belt and Road Initiative (BRI), launched in 2013 by President Xi Jinping. As Johnston (2018) pointed out, the BRI seeks to revive the ancient Silk Road through new infrastructure projects like railways, highways, and ports, which aim to connect China with Europe, Central Asia, and beyond.

Historically, Central Asia was a key component of the Silk Road, facilitating the exchange of goods between the East and West. Blanchard (2021) highlighted that the contemporary BRI builds on this historical connection, using modern infrastructure to foster trade and cultural ties between China and Central Eurasia. The importance of the region is further emphasized by Overholt (2010), who argued that the growing Chinese economic footprint in Central Asia is driven by both historical continuity and China's modern strategic goals. This revitalization is not just about restoring ancient trade routes but also about securing energy resources and ensuring access to markets for China's growing economy (Frank, 1992).

Central Eurasia's rich natural resources, particularly energy supplies, are another major factor in China's expanding presence. As Blanchard (2021) discussed, Central Asia's oil and gas reserves have made it an attractive region for Chinese investments, which also serve China's longer-term goals of securing diversified energy supplies. Moreover, Kaczmarek (2015) emphasized that the BRI provides China with a way to enhance its influence in a region where Russia traditionally held sway. The rivalry between China and Russia over Central Asia is therefore one of the key factors shaping the future political landscape in the region.

Thus, China's growing influence in Central Eurasia is a combination of historical ties, economic strategy, and geopolitical ambition, all framed within the context of the BRI (Johnston, 2018). However, this influence brings with it both opportunities and challenges, as local governments navigate their relationships with China while balancing competing interests from Russia and the West.

Central Eurasia holds a critical geostrategic position, lying at the intersection of Europe, Asia, and the Middle East. This central location has historically made it a key hub for trade and

cultural exchange. According to Perdue (1998), the region's position as a land bridge connecting different parts of the world has contributed to its enduring importance. Today, however, the geostrategic significance of Central Eurasia is being reshaped by China's Belt and Road Initiative (BRI), which aims to enhance connectivity and facilitate trade across the region. As Kaczmarek (2015) noted, the BRI's "Silk Road Economic Belt" passing through Central Asia is vital for China's strategy to secure both energy resources and trade routes.

Central Asia's vast reserves of oil, natural gas, and minerals make it an essential component of China's energy strategy. Johnston (2018) emphasized that China's focus on infrastructure development, including pipelines and railways, is intended to facilitate the flow of these resources from Central Asia to China.

Blanchard (2021) also pointed out that Central Eurasia's role in the BRI is not just about securing energy. The region serves as a critical link between China and Europe, offering a land-based route that reduces China's reliance on sea routes vulnerable to geopolitical tensions. This shift is particularly important for China, as it faces increasing risks in maritime trade, such as in the South China Sea. As Kaczmarek (2015) noted, by strengthening land-based trade routes, China is able to enhance the resilience of its supply chains, while also bolstering its influence in both regional and global markets.

Moreover, the growing Chinese presence in Central Asia poses a challenge to Russia's traditional dominance in the region. According to Perdue (1998), Russia has long viewed Central Asia as part of its sphere of influence, and the increasing economic and political presence of China has led to a delicate balancing act between cooperation and competition. This rivalry over the region's future is likely to shape the geopolitical dynamics of Central Eurasia in the coming years.

1.2 China's Economic Engagement in Central Asia and the Caucasus

China's economic engagement in Central Eurasia, particularly in Central Asia and the Caucasus, is characterized by significant investments in infrastructure, energy, and trade. The BRI has become the cornerstone of China's strategy to deepen its economic ties with the region. As Frank (1992) noted, China's interest in the region's natural resources is a driving factor in its economic strategy. Central Asia's vast energy reserves, especially in oil and natural gas, provide China with a stable source of energy to fuel its growing industrial economy. In return, China has invested heavily in infrastructure projects, including pipelines, railways, and highways, to facilitate the transport of these resources.

Johnston (2018) highlighted that the construction of infrastructure under the BRI is designed to improve connectivity and integrate Central Asia more deeply into the global economy. For instance, the China-Kyrgyzstan-Uzbekistan railway, which is being developed as part of the BRI, will connect China to Central Asia, boosting trade between the two regions. This railway is expected to significantly reduce transportation costs and time for goods moving across Central Asia and China, making it a vital project for enhancing trade flows (Overholt, 2010).

Blanchard (2021) noted that in addition to energy and infrastructure, China has expanded its economic engagement through trade agreements and economic partnerships. China is Central Asia's largest trading partner, and its growing economic influence is reshaping the regional market. Kaczmariski (2015) mentioned that in countries like Turkmenistan, Kazakhstan, and Uzbekistan, Chinese goods and investments are becoming increasingly prevalent, particularly in sectors such as manufacturing, technology, and construction.

In the Caucasus, China has similarly deepened its economic ties, particularly with Azerbaijan. According to Kaczmariski (2015), Azerbaijan's oil and gas resources have made it an important partner for China. In exchange for energy supplies, China has invested in infrastructure projects, including roads, railways, and ports, that facilitate regional trade and economic development. As Overholt (2010) pointed out, this type of economic cooperation benefits both China and the Caucasus countries, improving infrastructure and stimulating local economies.

Despite these benefits, China's growing economic footprint in Central Asia and the Caucasus has raised concerns, particularly about the long-term implications for sovereignty and local control over resources. As Johnston (2018) discussed, in some cases, local populations have expressed concerns about becoming overly dependent on China, especially when Chinese investments and loans come with strings attached. These concerns, coupled with the political and governance challenges in the region, mean that China's economic engagement must be managed carefully to avoid social unrest and political instability.

1.3 Impacts of China's Rise on the Political and Security Landscape of Central Eurasia

China's growing engagement in Central Eurasia is not only economic but also political, with significant security implications for the region. Central Asia's geopolitical importance, coupled with its resource wealth, has made it a priority for China's foreign policy. According

to Perdue (1998), the region's location as a bridge between China, Russia, and the Middle East, along with its energy resources, makes it a critical space for China to assert its geopolitical influence. This influence is particularly evident in China's involvement in multilateral organizations such as the Shanghai Cooperation Organization (SCO), where China plays a leading role in shaping regional security and economic policies.

As Kaczmarek (2015) discussed, China's participation in the SCO is a central element of its broader regional strategy. The SCO provides China with a platform to engage in security cooperation with Central Asian countries and Russia, particularly in combating terrorism, drug trafficking, and organized crime, which are significant concerns in the region. This multilateral approach allows China to project its influence while also fostering a sense of stability in a region that has experienced political and economic upheavals following the collapse of the Soviet Union. According to Overholt (2010), the SCO is a key tool for China to maintain its influence in Central Asia, as it provides a counterbalance to NATO and Western influence in the region.

However, as Kaczmarek (2015) noted, the growing Chinese presence in Central Asia presents a challenge to Russia's traditional dominance. Historically, Russia has maintained strong political and military ties with Central Asian states, and the increasing economic influence of China has introduced a new dynamic in the region. While China and Russia have common interests in maintaining regional stability and countering Western influence, there are underlying tensions regarding the balance of power, particularly in the areas of political control and economic dominance. According to Perdue (1998), while cooperation between China and Russia is essential for both countries, especially in energy and security, their differing priorities—China's economic focus and Russia's strategic military concerns—create potential areas of rivalry.

Blanchard (2021) pointed out that the political and security landscape in Central Eurasia is also influenced by the involvement of other powers, particularly the United States. The U.S. has had a presence in the region since the post-9/11 era, with military bases established in countries like Kyrgyzstan and Uzbekistan to support operations in Afghanistan. As Blanchard (2021) argued, China's rising influence complicates the U.S.'s ability to project power in the region, as it must contend with both China and Russia, each of which has its own geopolitical and economic interests.

In Central Asia, China has made significant strides in expanding its political influence. The deepening economic ties between China and Central Asian countries have facilitated political cooperation, often centered around trade agreements and energy deals. As Johnston

(2018) discussed, China's diplomatic outreach in the region focuses on fostering mutual cooperation, particularly in economic and security matters. Central Asian countries, which are increasingly reliant on Chinese investments, are also keen to maintain strong diplomatic relations with Beijing to secure future development opportunities. However, as Kaczmarek (2015) noted, these countries also must balance their relations with China with those with Russia, which remains a key security partner.

The political environment in the Caucasus is more complex due to the region's unique geopolitical dynamics. As Kaczmarek (2015) highlighted, while Azerbaijan has forged close ties with China, particularly in the energy sector, Georgia and Armenia face greater challenges in navigating their relationships with China and Russia. Armenia's alliance with Russia through the Collective Security Treaty Organization (CSTO) complicates its relationship with China, while Georgia, despite economic cooperation with China, is wary of over-reliance on Beijing due to its pro-Western foreign policy orientation. This balancing act underscores the broader geopolitical contest in the region, where China's growing economic influence intersects with Russia's security interests and Western engagement (Kaczmarek, 2015).

China's security strategy in the region is also shaped by its concerns over Xinjiang, its westernmost province, which shares a border with several Central Asian countries. As Johnston (2018) discussed, China has closely monitored security developments in Central Asia, particularly in relation to ethnic Uighur separatist movements. The stability of Central Asia is crucial to China's security concerns, as instability in the region could potentially spill over into Xinjiang. This has led China to adopt a proactive approach in securing its borders, including through increased military cooperation with Central Asian states (Overholt, 2010).

China's increasing influence in Central Eurasia is transforming the region's political and economic landscape, particularly with regard to regional cooperation and conflicts. As China deepens its economic ties with Central Asian countries through the Belt and Road Initiative (BRI), it is also expanding its political influence, often by positioning itself as a key partner in regional stability and development. According to Blanchard (2021), the growing Chinese footprint in the region has led to a shift in regional power dynamics, with China playing a more prominent role in the region's economic and political affairs.

One of the central aspects of China's role in regional cooperation is its addressing regional challenges such as terrorism, drug trafficking, and extremism. The SCO's role in promoting stability and security in Central Asia is seen as critical, as it allows China to work alongside Russia and Central Asian states to manage common threats. However, as Perdue

(1998) noted, while the SCO has facilitated cooperation on security matters, it has also revealed the divergent interests of China and Russia, especially in the context of their competing geopolitical objectives.

China's involvement in regional conflicts, particularly in the context of the Afghanistan conflict, is another dimension of its engagement in Central Eurasia. As Overholt (2010) pointed out, China has been cautious about direct military involvement but has provided economic and political support to Afghanistan and neighboring countries to help stabilize the region. China's role in peacebuilding and conflict resolution has been primarily focused on economic development and infrastructure investment, which it sees as crucial to fostering long-term peace and stability (Johnston, 2018).

However, China's increasing presence in Central Eurasia has also led to tensions with other global powers, particularly the United States. As Blanchard (2021) noted, the U.S. has historically been involved in the region through military cooperation, especially in the aftermath of the 9/11 attacks. The U.S. has maintained military bases in countries like Kyrgyzstan and Uzbekistan, providing support for its operations in Afghanistan. As China expands its influence, the U.S. must contend with a more assertive Chinese presence, which complicates its strategic calculations in the region.

The rise of China in Central Eurasia also intersects with regional conflicts involving Russia. As Kaczmarek (2015) mentioned, Russia remains deeply invested in the region's political and security landscape and views China's growing economic influence with a degree of ambivalence. While both countries share common interests in maintaining stability and countering Western influence, their differing geopolitical priorities may lead to tensions, particularly in Central Asia, where they both seek to assert dominance.

In summary, China's role in regional cooperation and conflicts in Central Eurasia is multifaceted. While China has successfully positioned itself as a key partner in regional stability and development, its growing influence has also introduced new complexities and tensions, particularly with Russia and the West. As China continues to expand its presence, the future of regional cooperation will depend on its ability to balance its economic ambitions with the political realities of the region.

1.4 China and the Great Game: A Modern Perspective

The concept of the "Great Game," historically used to describe the geopolitical rivalry between the British and Russian Empires over Central Asia in the 19th century, has found new

relevance in discussions about China's growing influence in the region. As Kaczmarek (2015) argued, while Russia and China have largely cooperated in recent years, particularly in the areas of energy and security, China's increasing economic dominance in Central Asia has introduced a new set of dynamics. The rivalry between China and Russia in Central Asia represents a modern manifestation of the Great Game, albeit with different players and motivations.

According to Overholt (2010), the cooperation between Russia and China is strategically important, especially in energy production and infrastructure development. However, the economic gap between China and Russia has widened, with China becoming the dominant economic force. This shift in power dynamics in Central Asia mirrors the broader global transformation where China's growing economic clout is reshaping the global order. As Kaczmarek (2015) discussed, Russia's role in the region is increasingly that of a junior partner, despite its continued military influence. China, with its vast financial resources and economic influence, has a more significant say in the economic development of Central Asia, while Russia's traditional military and political influence has been tested.

Despite these economic asymmetries, China and Russia have managed to maintain a balance in their regional dealings. As Perdue (1998) noted, the nature of their relationship in Central Asia is one of strategic partnership rather than open rivalry, although underlying tensions remain. The challenge for China in maintaining this partnership lies in its ability to manage its growing influence without alienating Russia, which continues to view Central Asia as its own sphere of influence.

However, Blanchard (2021) also emphasized that China's increasing involvement in regional organizations may be seen as an attempt to supersede Russian leadership, particularly in areas where Russia has traditionally been the dominant player.

China's policy in Central Asia can be understood through neorealist theory, which identifies how major powers try to maximize their power and balance their rivals in a system of international competition.

Theoretically, neorealism provides the general theoretical explanation of why states behave in an anarchic international system of affairs where security and power are motivating factors. Waltz (1979) theorizes that states desire power for the aim of survival, therefore China's strategic moves in Central Eurasia to offer access and influence on resources. Mearsheimer's (2001) offensive realism contributes further to the explanation that China's pursuit of regional hegemony is a balancing and counterstrategy against rivals like Russia and the United States. Aris (2011) accounts for China's membership in the Shanghai Cooperation

Organization as an in-practice manifestation of neorealist balancing and alliance-forming in Eurasian geopolitics.

The future of the Great Game in Central Asia will largely depend on how China navigates its relationship with Russia and how both countries adapt to the changing geopolitical realities. As Overholt (2010) discussed, while there are areas of cooperation, the competitive dynamics between China and Russia in Central Asia are likely to intensify as China's influence continues to grow.

1.5 China's Economic Influence in Central Asia: From Resource Extraction to Regional Integration

China's economic engagement in Central Asia has evolved significantly over the past two decades, transforming from a focus on resource extraction to a more comprehensive approach centered on regional integration. This shift is driven by China's broader strategic ambitions in the region, particularly within the framework of the Belt and Road Initiative (BRI). According to Kaczmarek (2015), Central Asia's resource wealth, especially in oil, gas, and minerals, has been a key motivator for China's initial foray into the region. However, as Johnston (2018) pointed out, China's increasing economic and infrastructural investments have now placed regional integration at the heart of its long-term strategy.

Historically, Central Asia has been rich in natural resources that are crucial to China's energy security. The region's oil and natural gas reserves, particularly in Turkmenistan, Kazakhstan, and Uzbekistan, have made it a primary target for Chinese investments. Perdue (1998) highlighted that these resources are central to China's strategy to diversify its energy supply routes and reduce its dependence on maritime trade routes. Overholt (2010) underscored that infrastructure projects, such as the China-Turkmenistan gas pipeline and the China-Kazakhstan oil pipeline, are part of a broader effort to secure stable energy supplies from Central Asia. These projects reflect China's focus on the extraction of natural resources to fuel its industrial growth.

However, as Blanchard (2021) discussed, China's involvement in Central Asia has gradually shifted from being merely a resource extraction strategy to one that emphasizes regional integration. The Belt and Road Initiative, launched in 2013, has been the cornerstone of this transformation. As Johnston (2018) noted, the BRI's infrastructure development projects ranging from highways and railways to energy pipelines—are designed to integrate Central Asia more deeply into global trade networks. China has focused on improving connectivity across the region, facilitating not only the extraction and transportation of resources but also

the movement of goods, services, and capital. This shift has allowed China to foster stronger economic ties with regional states, moving beyond mere resource dependency toward a model of mutual economic growth.

The development of transport infrastructure, such as the China-Kyrgyzstan-Uzbekistan railway and the expansion of the rail network between China and Kazakhstan, exemplifies China's push to foster regional integration (Blanchard, 2021; Kaczmarek, 2015). These projects are designed to reduce trade costs and improve access to international markets for Central Asian economies.

Beyond infrastructure, China's influence in Central Asia has expanded into other areas of regional economic cooperation, particularly through trade agreements and financial assistance. Blanchard (2021) observed that China's growing economic presence has made it Central Asia's largest trading partner, with trade flows increasingly involving manufactured goods, technology, and construction equipment. In return, China receives raw materials like oil, gas, and minerals, which are essential for sustaining its industrial base. According to Kaczmarek (2015), this trade relationship has helped Central Asia's economies grow while simultaneously boosting China's position as a global economic leader.

Moreover, China's financial investments in Central Asia, particularly through the Asian Infrastructure Investment Bank (AIIB) and other state-owned financial institutions, have been a crucial part of its strategy to promote regional integration. The AIIB, which was established by China in 2014, has played a significant role in financing infrastructure projects across Central Asia, further cementing China's economic influence. As Johnston (2018) pointed out, these financial investments are aimed at creating a more integrated regional economy that is aligned with China's broader objectives under the BRI. This strategy includes not only infrastructure development but also trade and investment flows that connect Central Asia with China and, by extension, the global economy.

However, the shift from resource extraction to regional integration is not without its challenges. As Kaczmarek (2015) highlighted, while China's investments in infrastructure and trade have brought significant economic benefits, they have also raised concerns about the growing influence of China in the region. Some Central Asian states, such as Kazakhstan, have expressed concerns about becoming overly dependent on China, particularly regarding issues of sovereignty and control over critical infrastructure. Overholt (2010) mentioned that these concerns are especially prevalent in countries that have long-standing ties with Russia, which views China's growing presence as a potential challenge to its dominance in the region.

Furthermore, as Blanchard (2021) noted, regional instability and political volatility could pose risks to China's ambitious plans for regional integration. The political landscape in Central Asia remains complex, with many countries dealing with issues related to governance, corruption, and social unrest. These issues, coupled with the region's proximity to conflict zones like Afghanistan, mean that China's investments could be vulnerable to disruption. Nevertheless, as Johnston (2018) observed, China has demonstrated a willingness to engage with local governments to manage these risks and ensure that its economic and strategic interests are safeguarded.

China's rising influence in Central Eurasia represents a significant shift in the geopolitical and economic landscape of the region. Through its Belt and Road Initiative (BRI), China has been able to deepen its economic ties with Central Asia and the Caucasus, driving infrastructure development, trade, and energy cooperation. However, as this literature review has shown, China's increasing presence in the region is not without its complexities. The competition with Russia, concerns over sovereignty and governance, and the potential for regional instability present challenges for China's long-term strategy.

Nevertheless, the future of China's influence in Central Eurasia will be shaped by its ability to balance its economic interests with the political realities of the region. As Kaczmarek (2015) and Blanchard (2021) emphasized, China must carefully navigate the complex political dynamics, including its relationships with local governments, Russia, and other global powers, to maintain its position as a dominant force in the region. The ongoing cooperation and competition between China and Russia will likely continue to define the political and economic landscape of Central Eurasia in the years to come.

1.6 Theoretical Framework: Neorealism (Structural Realism)

Neorealism, or structural realism, provides the theoretical framework through which to conceptualize state behavior in the international system, great power rivalry most directly. Most formidably developed by Kenneth Waltz (1979), neorealism theorizes that the international system of anarchy requires states to be concerned with survival through accumulating power and balancing wisely. As opposed to classical realism, with its focus on human nature, neorealism focuses on the structure of the international system itself described in terms of the distribution of capabilities among states as the primary source of state behavior.

Under China's increasing presence in Central Eurasia, neorealism offers a structuralist framework of explanation focused on the compulsions lying behind China's strategic

investments and regional activism. Central Eurasia is a geopolitically sensitive region that is located at the intersection of Europe and Asia and is endowed with vast energy resources. From a neorealist point of view, China's efforts to expand economic ties and establish security partnerships in the region are a crafty strategy to maximize its leverage relative to other great powers, particularly Russia and the United States (Waltz, 1979).

China's Belt and Road Initiative (BRI), with massive infrastructure development across Central Asia and the Caucasus, can be seen as a security means of pursuing greater Chinese influence and gaining valuable trade veins. This fits the neorealist concept of states attempting to maximize relative power in pursuit of security in an anarchic system without a highest authority. With economic dependencies via loans, investments, and energy alliance, China not only obtains access to key resources but also acquires influence over the weaker states, thereby strengthening regional hegemony (Mearsheimer, 2001).

China's ascendancy as SCO leader, a regional security body founded by Russia and Central Asian states, also reflects neorealist balancing behavior. Though the SCO is rooted in multilateralism, China uses it as a vehicle of balancing Western and American power in the region and for balancing its relationship with Russia. It is in keeping with Waltz's (1979) claim that states ally themselves primarily because they respond to balancing threats to protect themselves, not for reasons of ideological friendship.

John Mearsheimer's (2001) offensive realism, the development of neorealism, also explains regional policy of China to a greater extent. According to Mearsheimer's perception, rising great powers attempt to expand their share of power with the aspiration to achieve regional hegemony. The growing economic and political influence of China in Central Eurasia can therefore be seen as an attempt towards making dominance in its near neighborhood first before pushing it further beyond. China's strategic investment in infrastructure highways, pipelines, rail are not all for economic purposes but for the strategic reason of acquiring control of a key geopolitical region.

Neorealism also explains the limited and realistic tone of Chinese foreign policy in Central Eurasia. There is cooperation with Russia under the SCO, but there is also competition, as both great powers jockey for influence. This cooperation-competition dynamic is typical of neorealist accounts of great power politics, in which alliances are temporary and based on the precarious balance of power (Waltz, 1979).

Briefly, neorealism provides a robust paradigm to understand China's behavior in Central Eurasia as being structurally motivated by the interests of maximum security and

power. With respect to economic investment and multilateral engagement, China is strategically positioning itself in order to balance its competitors and achieve regional hegemony in a society of international anarchy without a central state

CHAPTER: 2. METHODOLOGY

2.1 Research Approach and Design

This study adopts a qualitative research approach to examine China's rising influence in Eurasia, particularly in Central Asia and the Caucasus. A qualitative methodology is suitable as it allows for an in-depth exploration of political, economic, and strategic factors shaping China's engagement in the region. The study utilizes a combination of discourse analysis and case study methods to investigate how China's policies, investments, and diplomatic strategies have influenced regional dynamics.

Discourse analysis will be employed to assess official Chinese and regional government statements, policy documents, and media narratives, focusing on the framing of China's influence. This will help identify patterns in how China presents its engagement and how regional actors respond. Additionally, case studies will provide concrete examples of China's impact on specific countries and sectors, offering a practical understanding of its influence.

Data Collection Methods

This research relies on secondary sources to construct a comprehensive analysis of China's role in Eurasia.

Secondary Data Collection

Secondary data will include academic research, policy analyses, and reports from international think tanks. Sources such as books and journal articles on China's Eurasian strategy, the Belt and Road Initiative, and regional geopolitics will be examined. Reports from institutions like the Carnegie Moscow Center, the Council on Foreign Relations, and the Shanghai Cooperation Organization (SCO) will provide expert perspectives on China's strategic role.

Media analysis will also be conducted on coverage from Chinese, Russian, and Western news sources to understand differing portrayals of China's influence. By comparing narratives from different ideological perspectives, the study will identify biases and assess how China's involvement is perceived both within and outside the region.

2.2 Case Study Approach

To illustrate China's influence in Eurasia, this study will use case studies focusing on key policy areas. Two major cases will be analyzed:

1. **China's Economic Engagement through the Belt and Road Initiative (BRI)** – This case will examine infrastructure projects, trade agreements, and financial investments in Central Asia and the Caucasus. It will assess how BRI projects impact regional economies and political alignments.
2. **China's Role in Regional Security and Diplomacy** – This case will analyze China's participation in security initiatives, including its role in the Shanghai Cooperation Organization (SCO) and bilateral security agreements. It will evaluate how China's strategic objectives shape regional stability and governance structures.

These case studies will demonstrate how China's economic and strategic engagements influence the geopolitical landscape of Eurasia and regional decision-making processes.

2.3 Limitations of Methodology

While this study provides an in-depth exploration of China's growing influence in Eurasia, certain limitations must be acknowledged. First, measuring the precise extent of China's influence is challenging due to the complexity of international relations, which involves multiple actors and factors beyond economic and diplomatic initiatives. Rather than establishing direct causality, this study focuses on identifying patterns and trends in China's engagement with the region.

Additionally, access to confidential government discussions and internal negotiations is limited. Therefore, the study relies on publicly available sources, such as official statements, policy reports, and media coverage. While these sources offer valuable insights, they may not fully capture behind-the-scenes geopolitical maneuvers and strategic calculations.

Finally, media and policy analyses often reflect ideological biases. To address this challenge, the study includes a comparative analysis of different perspectives, ensuring a more balanced assessment of China's role in Eurasia. By cross-referencing sources from diverse viewpoints, the research aims to present a comprehensive and objective evaluation of China's growing influence in the region.

CHAPTER: 3. HISTORICAL CONTEXT OF CHINA-EURASIA RELATIONS

3.1 Early Interactions and the Silk Road (Ancient to Medieval Periods)

The Silk Road, emerging during the Han Dynasty (206 BCE–220 CE), served as the critical link between China, Central Asia, and regions beyond, facilitating not only the exchange of goods but also cultural and religious interactions. The historical significance of the Silk Road, especially in relation to the Caucasus and Central Asia, is integral to understanding the development of Eurasian civilizations. This section explores the contributions of the Han Dynasty in opening the Silk Road, the key role of Central Asian cities such as Samarkand and Bukhara, and the early exchange of goods and religious ideas along the route.

The opening of the Silk Road is often attributed to the diplomatic and military strategies of the Han Dynasty. In particular, Emperor Wu's (141–87 BCE) policies aimed at expanding China's geopolitical influence laid the groundwork for the creation of the Silk Road. During this period, the Han sought to neutralize the threat posed by the Xiongnu, a powerful nomadic group in northern China, and to establish stronger economic links with Central Asia. The Han's successful efforts led to the creation of a formal protectorate over the Western Regions, thus securing vital trade routes across the Eurasian steppe. (Xiaotian 2018)

One of the key figures in this process was Zhang Qian, a diplomat who, during his mission to Central Asia in 138 BCE, encountered various nomadic and sedentary civilizations. His reports introduced the Han Empire to the economic potential of the regions beyond the Chinese borders, including Bactria and Sogdiana. Zhang's expeditions effectively opened trade routes connecting China with Central Asia, which would eventually stretch all the way to the Mediterranean.

The Han Dynasty's involvement in the Silk Road facilitated the exchange of luxury goods, most notably silk, which became highly prized in both the Roman Empire and the broader Mediterranean world. This trade not only served economic purposes but also acted as a platform for cultural and technological exchanges between the East and West (Barisitz, 2017).

As trade along the Silk Road expanded, Central Asian cities such as Samarkand and Bukhara became important hubs of commerce, culture, and diplomacy. These cities, strategically located along key trade routes, thrived by connecting East and West. Samarkand, in particular, became renowned for its cosmopolitan culture, attracting merchants, scholars, and diplomats from various regions of Eurasia. Bukhara, similarly, became a vibrant center for the

production of silk and other luxury goods. It facilitated not only trade but also the diffusion of ideas, including scientific knowledge, art, and philosophy. (Barisitz,2017)

The strategic locations of these cities meant that they played key roles in the transmission of goods and ideas. For instance, the movement of goods such as silk, jade, and ceramics from China to Central Asia was met with the exchange of horses, textiles, and precious stones from the West (ibid). These exchanges were not limited to material goods but also included religious and intellectual currents (ibid).

The Silk Road was characterized by the trade of luxury items, with silk being one of the most significant exports from China. The demand for Chinese silk was immense, especially in the Roman Empire, where it symbolized wealth and status. In return, China imported goods such as horses, which were vital for military campaigns, and other precious commodities like glass and precious metals (Barisitz, 2017).

Alongside these material exchanges, the Silk Road also served as a conduit for cultural and religious transmission. One of the most influential aspects of the early Silk Road was the spread of Buddhism. As the religion moved from India into Central Asia, it made its way into China, where it would become deeply integrated into Chinese culture and society. Central Asia played a crucial intermediary role in this religious transmission, with cities like Samarkand and Bukhara acting as major centers of Buddhist thought and practice (Xiaotian 2018).

The early interactions between China, Central Asia, and the Caucasus, facilitated by the Silk Road, were marked by a complex network of trade, cultural exchange, and diplomacy (Wang et al., 2022). The Han Dynasty's strategic opening of the Silk Road, combined with the cultural and economic importance of cities like Samarkand and Bukhara, played a key role in the formation of a transcontinental trade network. These early interactions laid the foundation for the deep cultural and economic ties that would define Eurasian relations for centuries to come.

3.2 The Rise of the Timurids and Their Impact on China-Central Asia Relations (Post-Mongol Era)

Following the fragmentation of the Mongol Empire in the 14th century, the Timurids emerged as one of the dominant powers in Central Asia. Founded by Timur (Tamerlane), the Timurid Empire (1370–1507) not only re-established political dominance in the region but also played a critical role in revitalizing the Silk Road trade. This was especially significant for China, as the Ming Dynasty (1368–1644) sought to reassert its influence in the region. The

Timurids fostered economic, diplomatic, and cultural exchanges between China and Central Asia, creating a dynamic period of interaction that had lasting implications for both empires. This section explores the role of the Timurids in re-establishing trade routes, the cultural exchanges they facilitated, and the diplomatic challenges and opportunities China faced in this period. (Biran 2013)

The collapse of the Mongol Empire destabilized the Silk Road, disrupting the flow of goods and cultural exchanges between the East and the West. However, under Timur's leadership, the Timurid Empire became a key player in the restoration of these critical trade routes. Central Asia, particularly cities like Samarkand and Bukhara, once again became thriving hubs of trade. The Timurids revitalized commerce by providing security along the Silk Road, which had previously been disrupted by Mongol fragmentation and the rise of competing powers. (ibid)

The Ming Dynasty, under the rule of the Hongwu Emperor and his successors, recognized the importance of Central Asia as a strategic gateway for trade with the West. The Timurids, under Timur's descendants, maintained this crucial position, facilitating the exchange of luxury goods, including silk, porcelain, and precious metals from China, in return for horses, textiles, and gemstones from Central Asia. Through these exchanges, both empires gained access to important resources that helped them solidify their economic and military standing. The restoration of the Silk Road trade route facilitated by the Timurids played a critical role in sustaining the flow of goods, ideas, and cultural practices, enhancing the economic ties between China and Central Asia (Rajkai, 2015).

Timur's descendants, particularly Ulugh Beg and Babur, continued the policy of fostering cultural exchanges with China. Ulugh Beg, known for his patronage of the sciences, encouraged the sharing of intellectual ideas between Central Asia and China, leading to a significant flow of knowledge between the two regions. The Ming court, with its interest in intellectual and cultural development, welcomed these exchanges. Ulugh Beg, a prominent astronomer and scholar, invited Chinese scholars to Samarkand, where they contributed to the scientific community's understanding of astronomy and mathematics. These interactions were vital in bridging the gap between Eastern and Central Asian knowledge systems (Dreyer, 1988).

Moreover, the Ming Dynasty's diplomatic missions to Central Asia under the Timurids were not solely political but were also driven by a desire to foster cultural relations. Timurid rulers saw value in establishing stable diplomatic ties with the Ming court, viewing them as both a means to secure trade routes and to enhance their cultural prestige. These relationships

were facilitated by shared interests in literature, the arts, and science. Chinese porcelain, for instance, became highly prized in Central Asia, and in return, the Timurids exported their intricate carpet designs and astronomical knowledge to China. These exchanges helped to shape the material culture of both empires, leading to a period of rich artistic and intellectual fusion (Rajkai, 2015).

Despite the benefits of trade and cultural exchange, China faced numerous challenges in maintaining stable relations with the Timurid Empire. The Timurids, like other Central Asian powers, were politically fragmented, and their leadership was often unstable. The rise and fall of different Timurid rulers posed a challenge for the Ming Dynasty, which was trying to maintain a consistent foreign policy in Central Asia. While some Timurid rulers were keen to maintain peaceful relations with China, others were more focused on asserting their power in the region, often leading to diplomatic tensions.

The Ming Dynasty also faced challenges in controlling the Silk Road trade routes. Although the Timurids facilitated trade, the growing power of the Ottomans and the Safavids in the West created competing interests along the same routes. The Ming court had to balance its relations with the Timurids while managing its relationships with these other rising powers. Furthermore, the internal instability of the Timurid Empire, particularly following Timur's death, meant that China had to constantly adjust its diplomatic strategies to align with the shifting political landscape of Central Asia (Zhang, 2001).

However, despite these challenges, the Ming Dynasty also saw significant opportunities in maintaining relations with the Timurids. The restoration of trade routes provided economic benefits to China, allowing it to access valuable goods and resources. Additionally, the Timurids' role as intermediaries in the broader Eurasian trading network meant that China could strengthen its presence in Central Asia and beyond. Diplomatic missions from the Ming court to the Timurid Empire allowed China to exert its influence in the region while cultivating beneficial economic relationships (Dreyer, 1988).

The rise of the Timurids played a crucial role in re-establishing the Silk Road trade routes that had been disrupted by the fall of the Mongol Empire. Their contributions to trade, cultural exchange, and diplomacy between China and Central Asia laid the foundation for sustained interaction between these two powerful empires. Although the Ming Dynasty faced challenges in navigating its relationship with the Timurids, the opportunities for economic and cultural exchange proved valuable. The revival of the Silk Road, facilitated by the Timurids,

not only ensured the continued flow of goods but also fostered a rich exchange of knowledge and culture that shaped the development of both China and Central Asia.

3.3 The Qing Dynasty and Central Asia's Strategic Importance

The Qing Dynasty (1644–1912), established by the Manchu rulers, was not only a continuation of the Chinese imperial legacy but also marked a new phase in the expansion and consolidation of the Chinese empire, particularly in Central Asia. By the mid-17th century, the Qing had solidified their power in China proper and began turning their attention westward, focusing on the strategically important regions of Central Asia and the Caucasus. This section examines the Qing Dynasty's territorial expansion into Central Asia, especially the acquisition of Xinjiang, and its strategic significance in the context of broader geopolitical competition, particularly with the Russian Empire and Persia.

The Qing Empire's territorial expansion into Central Asia during the 18th century was driven by a combination of military necessity and strategic foresight. The region of Xinjiang, located in the far west of China, was crucial for controlling access to Central Asia and safeguarding the empire's borders. The Qing's involvement in Central Asia began with their military campaigns against the Dzungar Khanate, a Mongol power that had established itself in the area. By 1759, after a series of military successes, the Qing successfully defeated the Dzungars and annexed Xinjiang, making it part of the Qing Empire (Rajkai, 2015).

The acquisition of Xinjiang was pivotal for the Qing Empire as it provided both a military buffer zone against potential invasions from Central Asia and a key strategic link between China and the broader Eurasian world. Xinjiang's position allowed the Qing to secure vital overland trade routes that connected China to Central Asia, Persia, and beyond. In addition to its military significance, Xinjiang was also economically important as a conduit for the flow of goods, such as silk, tea, and porcelain, which were exchanged for horses, jade, and other valuable commodities from Central Asia. The Qing Empire's control of Xinjiang thus allowed it to maintain and strengthen its economic ties with Central Asia, facilitating the continued operation of the Silk Road trade routes (Millward, 1998).

Beyond economic and military considerations, the Qing rulers viewed the acquisition of Xinjiang as an essential part of their imperial strategy. The conquest of Xinjiang was not merely about territorial expansion but also about the Qing's desire to integrate diverse ethnic groups into their multi-ethnic empire. By bringing Xinjiang under their control, the Qing effectively incorporated a variety of Turkic, Mongol, and Persian-speaking peoples, which

aligned with their broader vision of an empire that included numerous ethnic groups, each with its own traditions but united under Qing rule (Rajkai, 2015).

Additionally, the Qing implemented policies that stabilized the region politically. The Qing adopted a policy of indirect rule, allowing local rulers and elites to retain some level of autonomy while ensuring that their loyalty to the Qing Emperor was maintained. This policy was particularly important in a region as culturally diverse and politically fragmented as Central Asia, where various nomadic groups, urban centers, and settled agricultural communities coexisted. The Qing administration sought to manage these diverse groups through a combination of military presence, diplomatic engagement, and economic incentives (ibid).

The Qing Empire's control over Central Asia also allowed it to influence the politics of neighboring regions. The Qing maintained a delicate balance between competing regional powers, such as the Russian Empire and Persia. While the Qing did not seek to dominate these powers directly, their presence in Central Asia gave them significant leverage in regional diplomacy. This strategic positioning allowed the Qing to negotiate favorable terms with both Russia and Persia, securing their interests in the region while avoiding direct confrontation with these larger powers (Dreyer, 1988).

The Qing Dynasty's relations with the Russian Empire and Persia were marked by both competition and cooperation, as each empire sought to expand its influence in Central Asia. In the 17th and 18th centuries, Russia was expanding its influence in Siberia and the northern parts of Central Asia, while Persia, under the Safavid and Qajar dynasties, sought to maintain control over parts of the Caucasus and Central Asia. The Qing, aware of the growing power of both Russia and Persia, had to carefully navigate these geopolitical dynamics to protect their interests in Central Asia (Rajkai, 2015).

One of the most significant diplomatic achievements of the Qing in Central Asia was the Treaty of Nerchinsk (1689), which marked the first formal diplomatic agreement between China and Russia (V. S. Frank 1947). The treaty established the Qing Empire's sovereignty over Xinjiang while recognizing Russian interests in Siberia. This agreement helped to stabilize the border between the two empires and created a framework for future cooperation. However, as both Russia and China expanded their empires in the 18th and 19th centuries, tensions occasionally flared over territorial disputes and competing interests in Central Asia (V. S. Frank 1947). Despite these tensions, both empires recognized the importance of maintaining stable relations, as both sought to benefit from the region's trade routes and access to valuable resources (Millward, 1998).

Relations with Persia were similarly complex. The Qing and Persia shared a common interest in controlling trade routes that passed through Central Asia, but their relations were often marked by rivalry. Persia, under the Safavids and later the Qajars, was a key player in the region, and the Qing had to navigate their interactions with Persia carefully. While both empires recognized the importance of maintaining stable relations, they also sought to assert their dominance in the region, often engaging in diplomacy and military maneuvers to protect their interests. The Qing, for example, maintained diplomatic missions to Persia and engaged in trade negotiations that benefited both empires, but they also sought to limit Persia's influence in Central Asia by ensuring that the region remained under Qing control (Dreyer, 1988).

The Qing Dynasty's expansion into Central Asia and the acquisition of Xinjiang were critical to the empire's long-term strategic interests. By securing Xinjiang, the Qing not only protected vital trade routes but also established a strong foothold in Central Asia, which allowed them to influence regional politics and stabilize key commercial routes. The Qing Empire's careful diplomacy with Russia and Persia further solidified its position in the region, ensuring that Central Asia remained a crucial part of the Qing imperial system. Despite the challenges posed by competing regional powers, the Qing successfully navigated the complex geopolitical landscape of Central Asia, leaving a lasting legacy in the region's political, economic, and cultural development. (Rajkai, 2015).

3.4 China's Relations with Central Asia and Russia in the 20th Century

In the 20th century, China's relations with Central Asia and Russia were shaped by a combination of historical, geopolitical, and economic factors. These relationships evolved significantly, especially after the fall of the Qing Dynasty and the rise of the People's Republic of China (PRC) in 1949. China's interactions with Central Asia and Russia were driven by a need for security, territorial integrity, and economic growth, which were deeply tied to the region's natural resources and strategic position. This part examines how China's relationships with these two regions developed throughout the 20th century, focusing on the Soviet influence in Central Asia, the role of the Soviet Union in Chinese foreign policy, and China's shifting strategies in its relations with Central Asia and Russia, particularly after the Cold War.

Before the establishment of the PRC, China's relations with Central Asia were primarily shaped by the Qing Dynasty's territorial control, particularly over Xinjiang. Central Asia, historically a vital component of the Silk Road, had long been a region of strategic importance for China, providing access to trade routes to Europe and the Middle East. Following the collapse of the Qing Dynasty in 1911, China's control over Xinjiang became increasingly

unstable, with various local forces, including Turkic separatists and warlords, challenging Beijing's authority (Rajkai, 2015).

In the early 20th century, the Soviet Union played a significant role in Central Asia, particularly after the Russian Revolution of 1917. The Soviet Union's policies in the region, including the spread of communism, had a profound impact on China's relations with its neighbors. During this period, the Soviet Union became both a competitor and a partner, influencing China's foreign policy, especially in Central Asia. The Soviet Union sought to establish its dominance over the region, which led to border disputes with China and concerns about Chinese sovereignty over Xinjiang (Westad, 2005).

Despite these tensions, the Soviet Union and China shared some common interests, particularly in the context of their opposition to imperialism and colonialism. In the early years of the Soviet regime, both countries cooperated in resisting foreign intervention in their territories, but this cooperation was often overshadowed by the competition for influence in Central Asia. The Soviet Union's support for separatist movements in Xinjiang, as well as its support for the Chinese Communist Party (CCP) during the Chinese Civil War, further complicated the relationship (Esherick 2005).

The establishment of the PRC in 1949 marked a significant shift in China's relations with Central Asia and Russia. Initially, China and the Soviet Union maintained close ties, particularly through the Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance, signed in 1950. This agreement was largely a response to the shared geopolitical concerns of both countries: the threat posed by the United States and the spread of Western imperialism. The Soviet Union provided substantial economic and military aid to China, including support for the Chinese Communist Party's consolidation of power in Xinjiang (ibid).

However, by the late 1950s and early 1960s, Sino-Soviet relations began to deteriorate, culminating in the Sino-Soviet Split. Differences between the two countries over ideology, leadership, and international strategy were exacerbated by Nikita Khrushchev's denunciation of Stalin and Mao Zedong's growing dissatisfaction with Soviet policies. The split created a significant rift between the two communist giants and led to a period of hostility in China's relations with the Soviet Union, which affected its approach to Central Asia (Brown, 2013).

During this period, China increasingly viewed the Soviet Union as a rival and competitor, both ideologically and geopolitically. Tensions were further heightened by the border conflict in 1969, when skirmishes broke out along the Ussuri River, highlighting the deepening rift between the two nations. The split also led to a more isolationist Chinese foreign

policy, with China turning towards other parts of the world to counterbalance Soviet influence. In Central Asia, China attempted to distance itself from Soviet-dominated policies, while simultaneously dealing with issues related to the presence of Soviet forces in the region.

The collapse of the Soviet Union in 1991 marked the beginning of a new era in China's relations with Russia and Central Asia. The breakup of the Soviet Union created a power vacuum in Central Asia, with newly independent states emerging in the region, including Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan. China was faced with the challenge of adjusting to a new geopolitical landscape in which Russia's role as the dominant power in the region was no longer guaranteed. China sought to establish stronger economic and political ties with these new Central Asian republics while maintaining its influence over Xinjiang (Garver 2009).

In the 1990s, China pursued a policy of engagement with Central Asia, emphasizing economic cooperation, trade, and stability in the region. The 1991 China-Kazakhstan border agreement, which resolved long-standing border disputes, was a key milestone in this process. China also strengthened its ties with Russia during this period, particularly in the context of mutual concerns about the spread of terrorism and separatism, as well as the growing presence of Western influence in Central Asia (Blanchard, 2006).

The 1990s also saw the development of the Shanghai Cooperation Organization (SCO), founded in 2001, which became a significant platform for China's engagement with Russia and Central Asia. The SCO focused on regional security issues, including counterterrorism and economic cooperation. It reflected China's desire to enhance its regional influence and protect its interests in Central Asia, while also preventing the spread of instability that could affect Xinjiang. The SCO provided a framework for China, Russia, and Central Asian states to collaborate on economic development and security issues, signaling a shift towards a more cooperative relationship in the post-Soviet era (Kueh, 2002).

In the 21st century, China's relations with Central Asia and Russia have continued to evolve, with a growing emphasis on economic ties and energy cooperation. China has become the largest trading partner of many Central Asian countries, driven by its demand for energy resources such as oil, gas, and minerals. The Belt and Road Initiative (BRI), launched in 2013, has further strengthened China's economic influence in Central Asia. Through investments in infrastructure and trade routes, China has enhanced its presence in the region, solidifying its role as a key player in the global energy market (Huang 2016).

Russia and China, while still competitors in certain areas, have increasingly found common ground in their strategic partnership. The two countries share concerns about the growing influence of the United States and NATO in the region, as well as the instability caused by extremist groups and drug trafficking in Central Asia. Cooperation in military and energy sectors has deepened, with joint projects in oil and gas pipelines, and collaborative efforts to address regional security issues (Swaine, 2011).

However, competition between China and Russia in Central Asia remains a dynamic force. Russia, despite its waning influence in the region, continues to view Central Asia as its traditional sphere of influence and seeks to maintain its strategic presence there. In contrast, China's growing economic power, particularly in the realm of energy and infrastructure development, has led to concerns in Russia about China's expanding influence (Mendelson, 2003).

China's relations with Central Asia and Russia in the 20th century were shaped by a combination of historical ties, ideological conflicts, and shifting geopolitical realities. From the early years of the PRC's foreign policy to the post-Soviet era, China navigated complex relationships with both Russia and Central Asia, balancing economic cooperation with strategic competition. The 21st century has seen China emerge as a dominant economic power in Central Asia, while maintaining a strategic partnership with Russia to counterbalance Western influence. As China continues to expand its Belt and Road Initiative, its relations with Central Asia and Russia will remain critical to its broader geopolitical and economic ambitions.

CHAPTER 4. BELT AND ROAD INITIATIVE

4.1 Belt and Road Initiative: Vision and Objectives

The Belt and Road Initiative (BRI), proposed by Chinese President Xi Jinping in 2013, has rapidly emerged as one of China's most ambitious international economic endeavors. Its primary goal is to enhance global trade and stimulate economic development across Asia, Europe, and Africa by building trade routes reminiscent of the ancient Silk Road. This initiative spans multiple regions, representing 64% of the world's population and 30% of global GDP. It is an integral part of China's strategy to enhance its influence globally while securing long-term economic growth domestically (Huang, 2016; Rolland, 2017). This chapter explores the vision and objectives of the BRI, emphasizing its economic and geopolitical dimensions.

The BRI consists of two main components: the Silk Road Economic Belt, which runs through land routes connecting China to Central Asia, Russia, and Europe; and the 21st Century Maritime Silk Road, which connects China to Southeast Asia, Africa, and Europe via sea routes (Rolland, 2017). The initiative was designed to foster infrastructure connectivity, create a network of trade routes, and encourage economic cooperation across these vast regions. China's vision for the BRI goes beyond economic interests; it seeks to establish a geopolitical strategy that redefines regional connectivity and cooperation, leveraging its massive economic resources to integrate global economies more closely with its own (Huang, 2016).

China envisions the BRI to promote peace, stability, and shared prosperity, making it a crucial element in China's broader diplomatic and economic strategy. President Xi has positioned the BRI as a new path for global development, which is framed as mutually beneficial for all involved nations, with a focus on openness and inclusivity (Rolland, 2017). The initiative is designed to create a "community of common destiny", where infrastructure projects, financial cooperation, and cultural exchanges work in harmony to foster sustainable development (Rolland, 2017).

In addition to its economic objectives, the BRI is also seen as an effort to counterbalance the global dominance of Western institutions and models of development. Through the initiative, China seeks to offer an alternative model of cooperation that emphasizes infrastructure-driven growth and political stability. The BRI's global reach is an important part of China's vision to reshape international systems of governance, offering economic opportunities while promoting a new set of values based on mutual benefit and respect for diverse socio-political systems (Rolland, 2017). This vision also reflects China's ambition to

redefine international norms, aiming to position itself as a central figure in the international order.

4.2 Key Objectives of the Belt and Road Initiative

The Belt and Road Initiative (BRI), launched by China in 2013, is an ambitious and multifaceted project aimed at enhancing global connectivity and fostering economic growth through large-scale infrastructure investment. At its core, the BRI seeks to revitalize historical economic corridors by focusing on infrastructure development, including high-speed rail, highways, ports, energy pipelines, and telecommunication networks. These efforts are intended to address the infrastructure gaps that exist in many regions, laying the groundwork for increased economic interaction, integration, and regional development (Huang, 2016). This expansive initiative is not only a tool for China's economic expansion but also serves as a cornerstone of its broader foreign policy and geopolitical strategy.

One of the fundamental objectives of the BRI is to stimulate economic growth and promote global connectivity. The initiative aims to create new markets for Chinese exports while fostering deeper economic collaboration with countries that have traditionally been outside of China's immediate sphere of influence. This expansion is particularly crucial as China faces slower domestic growth and seeks new avenues for its surplus production capacity, particularly in industries such as steel and construction (Huang, 2016). By enhancing connectivity, the BRI facilitates trade, improves resource flows, and encourages the establishment of closer economic ties between China and its partner nations. In this way, the initiative functions not only as an economic stimulus for China but also as a global engine for growth, contributing to regional stability and prosperity (Rolland, 2017).

As China's traditional growth model, which was heavily reliant on exports and foreign investments from developed economies, becomes less effective due to global demand constraints, the BRI serves as a strategic response. It redirects China's economic trajectory by focusing on emerging markets across Asia, Africa, and Europe, where demand for infrastructure and development is high. This shift towards a more consumption-driven economy emphasizes the need for new markets and resources, and the BRI provides an essential framework for achieving this by building new economic links, fostering collaboration, and ensuring access to capital (Huang, 2016).

In addition to its economic benefits, the BRI also serves a geopolitical purpose for China (Rolland 2017). By investing in infrastructure and fostering economic interdependence, China is consolidating its position as a dominant regional power while increasing its global influence.

The geopolitical impact of the BRI is profound, as it allows China to project its economic and political power far beyond its borders. Countries that benefit from Chinese investment are more likely to align with China's broader global vision, which is evident in the widespread support the initiative has garnered from BRI partner nations (Mobley, T. 2019). This economic integration goes hand-in-hand with China's ambition to reshape international relations by positioning itself as the central player in Eurasia's economic future.

The geopolitical leverage afforded by the BRI is evident in China's ability to establish stronger ties with countries across Asia, Europe, and Africa. The development of infrastructure and the creation of trade routes are critical components of China's vision to establish a global network of interdependent economies. By building physical and digital infrastructure, China is effectively solidifying its role as the architect of the 21st-century global trade system, reshaping the international order to better reflect its strategic and economic interests (Rolland, 2017).

Moreover, through the BRI, China seeks to promote its development model as an alternative to Western-led economic paradigms. The China model, characterized by state-driven economic growth, centralized planning, and large-scale infrastructure investments, is presented as a viable path for development, particularly for emerging economies. While the BRI is framed as a cooperative effort, it also carries the strategic element of promoting the Chinese way of governance as an example for other developing countries to follow. The rapid growth and development that China has experienced over the past few decades are viewed by Beijing as a success story that can be replicated in other regions, particularly those in need of development and modernization (Huang, 2016).

This aspect of the BRI—promoting the Chinese political and economic system—is central to China's vision of expanding its influence. As part of the initiative, China aims to export its development model, emphasizing infrastructure-driven growth, state-led planning, and long-term strategic thinking. The Chinese government views its approach as an alternative to Western models, particularly in the context of democracy and market-driven economic systems. Through the BRI, China not only seeks to foster economic growth in partner countries but also aims to enhance its soft power, influencing the global governance system by offering an alternative vision for economic development and political order (Rolland, 2017).

Supporting this ambitious vision are various Chinese-led financial institutions, including the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund, which provide critical funding for BRI projects. These institutions play a crucial role in overcoming the significant funding gaps in infrastructure development faced by many BRI countries.

Through the AIIB, China is facilitating the construction of large-scale projects across Asia and beyond, helping to ensure that participating countries have access to the capital needed to build vital infrastructure. The establishment of these financial institutions reflects China's broader aim to reshape global financial governance, offering an alternative to the Western-dominated financial systems that have traditionally dictated international economic policies (Mobley, T. 2019).

The financial support provided by the AIIB and other institutions highlights China's long-term commitment to regional stability and economic development. By offering financing options to countries that may otherwise struggle to secure funding for infrastructure projects, China is helping to build the foundations for economic prosperity and interconnectivity in many regions. The creation of new financial mechanisms, such as the AIIB, not only facilitates the completion of infrastructure projects but also underscores China's broader ambition to play a more central role in shaping the future of global financial systems (Rolland, 2017).

4.3 The Strategic Importance of the Belt and Road Initiative (BRI) for China

The BRI is central to China's evolving grand strategy, which integrates economic, geopolitical, and domestic objectives. The concept of geoeconomics using economic tools to achieve geopolitical goals has been a hallmark of China's foreign policy under Xi Jinping. As China seeks to elevate its global standing, the BRI is positioned as the vehicle for projecting economic and strategic influence across Eurasia and beyond. The initiative aims to reshape the global economic order by strengthening China's role at the center of regional and global trade networks (Clarke, 2017).

Historically, China has been cautious in its foreign policy, emphasizing "peaceful development" and seeking to avoid direct confrontation with other major powers. However, the BRI marks a shift toward a more assertive stance, reflecting China's growing confidence as a global power. Xi's vision for the BRI is to restructure global economic patterns in ways that enhance China's economic leverage and reduce its dependence on Western-dominated financial systems (Clarke, 2017). The initiative is not just an economic venture but a comprehensive strategy to reshape international norms and enhance China's influence over global governance.

The BRI is also an effort to counterbalance U.S. geopolitical influence, particularly in regions like Central Asia, Southeast Asia, and the Indian Ocean, where the U.S. and its allies have long held strategic dominance. The BRI's infrastructure projects spanning land and

maritime trade routes are designed to diversify China's global connections, bypassing traditional maritime routes that are vulnerable to geopolitical tensions (Beeson, 2018). The initiative positions China as the hub of a new economic and geopolitical order that challenges the existing U.S.-led international system.

From an economic perspective, the BRI is a response to China's economic slowdown and the challenges posed by its overreliance on traditional growth models, such as manufacturing and exports. China's rapid industrialization and economic rise have led to excess production capacity, particularly in industries such as steel and construction. The BRI provides a new outlet for China's excess capacity by promoting infrastructure development in countries across Asia, Europe, and Africa, which are in dire need of investment in roads, ports, and energy systems (Clarke, 2017).

By facilitating the export of Chinese goods and capital, the BRI helps to alleviate domestic overcapacity while promoting the development of partner countries. This serves both China's economic interests and the broader goal of fostering sustainable growth in regions that have been left behind by traditional development models. For China's leadership, economic growth is essential not only for maintaining domestic stability but also for ensuring the continued legitimacy of the ruling Communist Party (ibid).

In addition, the BRI contributes to China's domestic development priorities, especially in its western regions, such as Xinjiang, Tibet, and Inner Mongolia, which have long been economically disadvantaged. The BRI aims to connect China's frontier regions to global markets through infrastructure projects, helping to integrate these regions into the broader Chinese economy and promoting economic stability in areas that have historically been prone to unrest (Beeson, 2018). By addressing regional disparities, it also serves as a tool for enhancing national unity and consolidating China's territorial integrity.

From the geopolitical perspective, the BRI is a response to China's desire to assert itself as a global leader and shape the international system in its image. The BRI is part of China's broader strategy to reconfigure international trade routes and enhance its strategic autonomy (Benson 2018). This is especially significant given the growing competition between China and the United States for global influence. The BRI, with its focus on both land-based infrastructure and maritime connectivity, offers China the opportunity to bypass traditional sea routes controlled by the U.S. and its allies, thereby reducing the risk of confrontation and ensuring more secure access to global markets (Clarke, 2017).

In addition to its hard economic and geopolitical goals, the BRI also plays a significant role in projecting China's soft power. Soft power refers to a country's ability to influence others through attraction and persuasion, rather than coercion. The BRI is a critical component of China's soft power strategy, as it positions China as a provider of global public goods specifically infrastructure and economic development that benefits participating countries. By offering financial and technical support for infrastructure projects, China is positioning itself as a responsible global leader committed to promoting mutual prosperity (Mobley, T. 2019).

Moreover, the BRI reflects China's desire to export its development model, which emphasizes state-led growth, infrastructure investment, and the central role of the government in economic planning. While China's political system remains centrally controlled, the country's rapid economic development and modernization provide an alternative path to development that contrasts with the liberal, market-driven models promoted by Western institutions. Through the BRI, China seeks to redefine the global narrative around economic development, positioning itself as a leader in the promotion of a new, non-Western model of globalization (Clarke, 2017).

Despite its ambitious goals, the BRI faces significant risks and challenges. One of the key challenges is the political instability of many of the countries involved in the initiative. Many of these countries suffer from weak governance, corruption, and fragile political systems, which could undermine the success of BRI projects. Furthermore, the financial sustainability of the initiative remains uncertain, particularly given the large scale of infrastructure investments required and the financial constraints of both China and its partner countries (Beeson, 2018).

Another challenge is the geopolitical tensions that the BRI may exacerbate, particularly with countries like India, which has expressed concerns about China's growing influence in the region. The BRI's focus on Central Asia, South Asia, and Southeast Asia could intensify competition for influence between China and India, as well as other regional powers such as Russia and the United States (Clarke, 2017).

The Belt and Road Initiative is a cornerstone of China's evolving grand strategy, serving both economic and geopolitical objectives. It provides China with the opportunity to expand its influence globally, secure new markets for its goods, and project its model of development to the world. However, the BRI's success will depend on overcoming significant challenges, including political instability in partner countries, financial sustainability, and managing geopolitical tensions with other major powers. Despite these risks, the BRI represents China's

most ambitious foreign policy initiative in decades and is likely to shape global trade and geopolitics for years to come (Beeson, 2018; Clarke, 2017).

4.4 Infrastructure Development and Investment: Key Projects and Regions in the Belt and Road Initiative

The Belt and Road Initiative (BRI), introduced by China in 2013, has rapidly transformed global infrastructure investment. As a monumental endeavor with a strategic vision to connect more than 60 countries through land-based and maritime routes, the BRI is not only a significant economic project but also a geopolitical maneuver aimed at reshaping global trade patterns, bolstering economic growth, and enhancing China's influence globally (Benson 2018). With investments spanning ports, roads, railways, energy infrastructure, and special economic zones (SEZs), the BRI is poised to impact a wide array of regions, offering both opportunities and challenges for the countries involved.

At the core of the BRI is the aim to enhance infrastructure connectivity between China and regions stretching from Southeast Asia, Africa, and Europe, to the Middle East. In this context, the construction of critical infrastructure plays a central role in promoting economic interdependence and facilitating trade across borders (Li, Schindler, & Liu, 2020). This part explores some of the key projects under the BRI, focusing on port development, transportation networks, energy infrastructure, and their strategic implications for both China and the partner countries involved.

The initiative is comprised of six overland economic corridors and one maritime silk road, forming an expansive network aimed at fostering enhanced connectivity across key regions (Teo et al., 2019). The Silk Road Economic Belt focuses on land-based routes, linking China to Central Asia, Europe, and beyond, while the 21st Century Maritime Silk Road emphasizes maritime trade routes that connect China to Southeast Asia, Africa, and Europe. The initiative integrates various infrastructure projects under the broader framework of the “Five Connectivities” – connectivity in policy, infrastructure, trade, finance, and socio-cultural ties (Li, Schindler, & Liu, 2020).

One of the central features of the BRI is the development of ports and related maritime infrastructure that connects the maritime and land-based corridors. Ports serve as vital nodes in the global trade network, and Chinese investments in key port projects reflect a strategy to bolster connectivity and facilitate the free flow of goods (Li, Schindler, & Liu, 2020).

Gwadar Port, located in Pakistan's southwestern Balochistan province, is one of the flagship projects of the China-Pakistan Economic Corridor (CPEC), one of the main components of the BRI. Gwadar's strategic location provides direct access to the Persian Gulf and the Indian Ocean, making it a key gateway for trade between China and countries in the Middle East and Africa. The development of Gwadar Port is intended to enhance China's access to new shipping routes, providing a vital outlet for Chinese exports and imports. However, the development of Gwadar is not just a commercial venture but a strategic move by China to increase its regional influence, reduce dependency on the Strait of Malacca, and potentially establish a forward base for its military (Li, Schindler, & Liu, 2020).

Kuantan Port in Malaysia represents a different, yet equally important, model for port development under the BRI. Located on the eastern coast of Malaysia, this port is being upgraded as part of the China-Indochina Peninsula Economic Corridor. The joint venture model for this project underscores the partnership between Chinese state-owned enterprises (SOEs) and local Malaysian firms, facilitating both regional economic growth and greater trade connectivity between China and Southeast Asia. As part of a broader plan, Kuantan Port's development is integrated into the East Coast Economic Region (ECER) of Malaysia, designed to improve infrastructure connectivity in this historically less-developed region (Li, Schindler, & Liu, 2020). These two projects, Gwadar Port and Kuantan Port highlight the BRI's dual focus: fostering strategic geopolitical relationships while enhancing economic connectivity through infrastructure.

The BRI's development of railways and road networks serves as the backbone of its land-based connectivity goals. Large-scale railway projects like the China-Laos Railway and the China-Kyrgyzstan-Uzbekistan Railway are transforming the overland trade routes between China and Southeast Asia, Central Asia, and even parts of Europe. These projects aim to reduce travel time and transportation costs, enhancing the flow of goods and boosting cross-border trade (Teo et al., 2019).

The China-Laos Railway, which connects Kunming in China to Vientiane in Laos, is a key component of the BRI's efforts to link China to mainland Southeast Asia. This project is expected to greatly enhance trade between China and Laos by providing a direct rail link that bypasses traditional sea routes. Similarly, the China-Kyrgyzstan-Uzbekistan Railway is part of China's push to increase its influence and trade capacity in Central Asia, opening new routes for goods traveling from China to Europe and the Middle East via Central Asia (Li, Schindler, & Liu, 2020).

Road infrastructure, too, plays a key role in the BRI's efforts to foster interregional connectivity. Projects like the Western Europe–Western China Highway, which spans several countries including Kazakhstan and China, are designed to streamline trade between China and Europe. This highway, one of the most ambitious BRI road projects, connects major cities in China with those in Europe, facilitating the movement of goods and resources across the Eurasian landmass. These overland projects not only improve trade but also foster regional economic integration by reducing logistical barriers, thus enhancing market access for countries along the route (Li, Schindler, & Liu, 2020).

Energy infrastructure is another key focus of the BRI, with projects aimed at improving energy security, facilitating trade, and supporting economic growth. China's development of energy corridors through pipelines and power plants enhances both its domestic energy security and its ability to support energy access in partner countries (Teo et al., 2019).

The China-Pakistan Pipeline, a critical project in the China-Pakistan Economic Corridor (CPEC), connects Pakistan's energy markets to China, providing a direct route for the transport of oil and gas from the Middle East to China. This pipeline allows China to bypass vulnerable maritime routes, thereby enhancing its energy security (ibid). Similarly, the Myanmar-China Oil and Gas Pipeline, another important energy infrastructure project, enhances China's access to energy resources in the Middle East and Central Asia, strengthening its economic and geopolitical influence in these regions (Li, Schindler, & Liu, 2020).

In addition to pipelines, the BRI supports the construction of hydropower plants, wind farms, and coal plants across participating countries. These projects not only improve energy access for partner countries but also increase China's influence by positioning Chinese companies as key players in the global energy sector. For instance, Tajikistan's hydroelectric plants and Pakistan's solar farms have been developed under the BRI, with Chinese investments in renewable energy providing both economic benefits and environmental solutions (Teo et al., 2019).

The infrastructure investments made under the BRI are designed not just to promote economic development but also to solidify China's geopolitical influence. By improving connectivity, China is creating new economic and trade corridors that are increasingly aligned with its own economic and political objectives. Ports, railways, and energy infrastructure are crucial components of this effort, as they serve as the physical infrastructure upon which broader regional integration can take place (Li, Schindler, & Liu, 2020).

Furthermore, these infrastructure projects enable China to exert soft power by positioning itself as a leading provider of global infrastructure. The “port-park-city” model, for instance, which integrates port development with industrial zones and urban infrastructure, is a model that China has successfully applied in Shenzhen and is now exporting through its investments in overseas ports (Schindler & Liu, 2020). This model promotes sustainable urban development while enhancing connectivity, enabling China to position itself as a leader in both infrastructure development and socio-economic planning.

However, the strategic importance of these projects also comes with challenges. While the BRI has the potential to foster regional cooperation, it has been met with concerns over environmental impacts and social equity. Large-scale infrastructure projects can lead to environmental degradation, displacement of communities, and cultural disruption in certain areas, particularly in ecologically sensitive regions (Teo et al., 2019). Thus, while the BRI’s infrastructure projects offer significant economic benefits, they also require careful planning and regulation to mitigate these risks.

As the BRI progresses, the strategic importance of infrastructure investments will continue to evolve, reflecting the interconnectedness of China’s economic goals and geopolitical ambitions. Moving forward, it is essential to balance the economic benefits of the BRI with a commitment to environmental sustainability and social inclusivity, ensuring that these large-scale projects contribute to long-term regional prosperity while minimizing their negative impacts.

4.5 Challenges and Criticisms of the Belt and Road Initiative

The Belt and Road Initiative (BRI), represents one of the largest infrastructure and development projects in modern history. While the initiative is seen as a critical tool for boosting global trade and economic development, it has attracted significant criticism due to its potential economic, political, and social risks. These criticisms focus on issues such as geopolitical motives, debt sustainability, lack of transparency, and environmental and social consequences.

As the BRI has expanded, so too have the challenges associated with its implementation. Critics argue that China’s ambitious foreign policy agenda may have significant long-term implications for participating countries, many of which are already grappling with economic instability, political risk, and corruption. While proponents of the BRI emphasize its potential to foster infrastructure development and increase trade, it is crucial to consider the broader consequences of this large-scale initiative. This section explores the major challenges and

criticisms of the BRI, examining its geopolitical motivations, debt-related concerns, lack of transparency, and operational risks.

The geopolitical nature of the BRI has been a major point of contention. Critics argue that the initiative is not purely about promoting economic growth but rather serves as a tool for China to enhance its political and economic influence on the global stage. The BRI involves massive infrastructure investments that often place participating countries in debt to China, leading to concerns about China's growing strategic dominance in regions traditionally controlled by other major powers. For example, China's investment in strategic ports, such as Gwadar in Pakistan, has raised fears that China might gain military and economic leverage in key regions like the Indian Ocean, where trade routes are crucial for global commerce (Schrader, 2018).

Many critics of the BRI believe that China's geopolitical motives are disguised as an altruistic effort to promote global development. For instance, India has expressed concerns over the China-Pakistan Economic Corridor (CPEC), which passes through contested regions like Kashmir, a territory claimed by both India and Pakistan. India's opposition is driven by the perception that China's investments in such projects could not only increase Pakistan's dependence on China but also exacerbate regional tensions (Jiang, 2020). These geopolitical considerations have raised suspicions in several other countries, including the United States, which perceives the BRI as a challenge to its global influence.

Another central criticism of the BRI involves the debt sustainability of participating countries. The initiative has seen massive Chinese investments, particularly in infrastructure projects, which are often financed through loans from Chinese banks. Critics argue that these loans could lead to a debt trap for countries with weak economies or limited fiscal capacity. Countries such as Sri Lanka, Pakistan, and Tajikistan have already experienced debt distress due to large loans from China under the BRI framework (Jiang, 2020).

The case of Sri Lanka and its loss of control over the Hambantota Port is frequently cited as a prime example of debt-trap diplomacy. Unable to repay its loans, Sri Lanka was forced to lease the port to China for 99 years, raising concerns about China's ability to use debt leverage to secure control over strategically important assets (Jiang, 2020). Similarly, countries like Maldives, Laos, and Mongolia have faced challenges in managing their debt obligations, with China being the dominant creditor. According to a study by the Center for Global Development (CGD), several countries participating in the BRI are at high risk of debt distress,

with Tajikistan and Pakistan among those most vulnerable (Hurley, Morris, & Portelance, 2018).

A major criticism of the BRI is the lack of transparency in its decision-making processes. Many of the agreements made under the BRI are non-binding memoranda of understanding (MoUs), which often do not provide sufficient detail on project costs, timelines, or the financial arrangements involved. This lack of transparency makes it difficult for participating countries and international stakeholders to fully assess the economic and social implications of BRI projects. In some cases, this has led to corruption and mismanagement, with local governments and businesses excluded from the decision-making process (Jiang, 2020).

For example, Malaysia's East Coast Rail Link (ECRL) project faced significant criticism for its lack of transparency and the absence of open bidding processes. After Malaysia's cabinet approved the project in 2016, the agreement was signed with the China Communications Construction Company just weeks later, raising concerns about the haste with which the deal was finalized (Russel & Berger, 2019). Similarly, Indonesia's Jakarta-Bandung High-Speed Railway (JBHSR) faced similar issues, with the project's land acquisition and feasibility studies rushed without proper assessments. These examples highlight the governance deficiencies in many BRI projects, which critics argue lead to poor project design and long-term challenges (Schrader, 2018).

The environmental and social consequences of BRI projects have also drawn significant criticism. The construction of large-scale infrastructure, such as dams, railways, and highways, often leads to deforestation, habitat destruction, and pollution. Many of the regions targeted by the BRI are ecologically sensitive, and large infrastructure projects in these areas could have irreversible effects on local ecosystems. Critics argue that environmental regulations are often overlooked or inadequately enforced in these projects, leading to unsustainable development practices.

For instance, in Myanmar, the China-Myanmar Oil and Gas Pipeline has been criticized for its potential environmental impact on sensitive ecosystems, including the Irrawaddy Delta, one of the most biodiverse areas in Southeast Asia (Teo et al., 2019). Additionally, Sri Lanka's Hambantota Port has faced backlash from environmental groups concerned about the disruption of coastal ecosystems and the loss of local livelihoods (Jiang, 2020).

On a social level, the BRI's infrastructure projects have sometimes led to the displacement of local communities. In countries like Pakistan and Nepal, local populations have

expressed concerns over the lack of consultation and the negative effects of BRI projects on their lives and livelihoods. The use of Chinese labor in these projects instead of local workers has also sparked resentment among the local population, contributing to xenophobia and political opposition (Schrader, 2018).

The Belt and Road Initiative (BRI), while promising significant benefits in terms of global trade, economic development, and infrastructure connectivity, has attracted significant criticism for its geopolitical and economic risks. Key concerns such as debt-trap diplomacy, lack of transparency, governance issues, and environmental impacts remain central to the debate about the long-term sustainability and success of the BRI. As the initiative continues to grow, it will be essential for China and its partner countries to address these criticisms through improved multilateral governance, financial transparency, and social responsibility. Only then can the BRI truly fulfill its potential as a force for positive change in the global economic landscape.

CHAPTER 5. SHANGHAI COOPERATION ORGANIZATION

5.1 The Origins of the Shanghai Cooperation Organization: From the Shanghai Five to the SCO

The Shanghai Cooperation Organization (SCO) has evolved into a key multilateral organization in Central Asia, significantly impacting regional security, economic cooperation, and political alignment. Its origins date back to the formation of the "Shanghai Five" (S5) in 1996, a regional group primarily focused on security issues and border disputes. This initial framework would eventually evolve into the broader Shanghai Cooperation Organization (SCO) in 2001, reflecting broader geopolitical shifts and the changing dynamics in Central Asia, especially after the dissolution of the Soviet Union.

The Shanghai Five was founded in 1996 by China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. This formation was driven primarily by the need to resolve territorial disputes and promote security along their shared borders. Following the collapse of the Soviet Union in 1991, the newly independent republics of Central Asia faced both political and economic challenges, with border issues being one of the most pressing concerns. At the same time, the rise of Islamic militancy and instability in neighboring Afghanistan added to the security risks in the region. The Shanghai Five sought to stabilize this situation through cooperation and confidence-building measures (European Parliament, 2015).

One of the main objectives of the Shanghai Five was the resolution of territorial disputes. Many of the member countries, particularly Kazakhstan and Tajikistan, inherited unresolved border issues from the Soviet era. The creation of the Shanghai Five provided a framework for dialogue and negotiation, which helped to prevent military conflict and enabled the peaceful resolution of several contentious border disputes. This initiative was groundbreaking in a region that had been historically marred by territorial tensions (Council on Foreign Relations, 2024).

Although initially focused on border security, the Shanghai Five also addressed broader regional security concerns, particularly the rise of extremism. The shared interest in combating terrorism and drug trafficking, often linked to Afghanistan, motivated member states to pursue collective security measures. The cooperation among these countries helped create a regional security environment that was more stable than the one that preceded it (European Parliament, 2015).

In 2001, the Shanghai Five formally expanded and transformed into the Shanghai Cooperation Organization with the inclusion of Uzbekistan. This marked a significant shift in the organization's scope and objectives. The original security-focused agenda was broadened to include political, economic, and cultural cooperation. The addition of Uzbekistan was particularly important, as it not only increased the organization's size but also reflected the growing recognition that Central Asia needed a more integrated approach to its challenges (Council on Foreign Relations, 2024).

Uzbekistan's inclusion was a key turning point in the SCO's history. With this expansion, the organization began to evolve into a more formalized regional grouping with both security and economic agendas. The inclusion of Uzbekistan allowed the SCO to take on a more prominent role in the region's politics, including issues of governance and regional development. This shift also marked the beginning of the SCO's involvement in wider geopolitical issues, such as the increasing presence of U.S. military forces in Central Asia following the September 11 attacks (European Parliament, 2015).

The SCO's agenda expanded to include economic cooperation, focusing on areas such as energy, trade, and infrastructure development. With Central Asia being a resource-rich region, this new economic dimension was vital for the member states, especially China and Russia, which were both interested in securing access to Central Asia's natural resources. The SCO began to provide a platform for joint projects in infrastructure and trade, aiming to strengthen economic ties between its members and reduce their dependence on outside powers (Council on Foreign Relations, 2024).

The formation and expansion of the SCO can be understood in the context of the broader geopolitical shifts in the post-Soviet world. After the dissolution of the Soviet Union, Russia, China, and the Central Asian republics found themselves in a region increasingly influenced by external powers, particularly the United States and NATO. The rise of the SCO can be seen as a reaction to the growing U.S. military presence in Afghanistan and Central Asia following the 9/11 attacks. For Russia and China, the SCO presented an opportunity to assert their influence in the region and counterbalance Western involvement.

For China, the SCO was not only a way to enhance security along its western border, especially in the Xinjiang region, but also a means of securing access to the region's vast energy resources. Central Asia, with its oil and natural gas reserves, became a key area for China's economic interests. Through the SCO, China could strengthen its economic and political ties

with its neighbors while simultaneously asserting itself as a regional power (European Parliament, 2015).

Russia's motivations in supporting the SCO were equally strategic. After the collapse of the Soviet Union, Russia lost much of its political influence in Central Asia, and the formation of the SCO was seen as an opportunity to reassert its leadership in the region. The organization allowed Russia to coordinate with China and its Central Asian neighbors on regional security issues and to re-establish its presence as the dominant power in Central Asia (Council on Foreign Relations, 2024).

Uzbekistan's decision to join the SCO was also influenced by the desire to safeguard its sovereignty and protect its national interests. As one of the most influential Central Asian countries, Uzbekistan saw membership in the SCO as a way to ensure stability and economic development while maintaining political independence from Russia and China. Uzbekistan's participation in the organization gave it a platform to shape regional policies and benefit from economic cooperation with its neighbors (European Parliament, 2015).

Since its expansion in 2001, the SCO has become an increasingly influential player in regional and global politics. With the inclusion of new members such as India and Pakistan, the organization's geopolitical significance has grown, and its role in shaping the future of Central Asia has become more pronounced. Today, the SCO is not only involved in security and economic cooperation but also plays a role in broader political dialogue. The organization has expanded its focus to include issues such as counterterrorism, cyber threats, and the promotion of regional economic integration.

One of the key aspects of the SCO's growing influence is its emphasis on regional autonomy and multipolarity in international relations. The organization seeks to promote a balance of power in the region, countering the influence of Western countries and institutions. The SCO also plays an important role in the broader geopolitical rivalry between China, Russia, and the West. Through its collective efforts, the SCO has helped shape the political landscape of Central Asia, ensuring that the region remains firmly within the sphere of influence of its member states (Council on Foreign Relations, 2024).

In conclusion, the Shanghai Cooperation Organization's origins can be traced to the Shanghai Five, which was established to address regional security and stability. Over time, the organization expanded its scope to include economic cooperation and political dialogue, reflecting the changing dynamics of Central Asia and the broader geopolitical shifts of the post-

Soviet world. Today, the SCO is a key regional and global actor, and its continued growth underscores its importance in shaping the future of Central Asia and beyond.

5.2 China's Role in the Formation of the Shanghai Cooperation Organization (SCO)

China's role in the formation of the Shanghai Cooperation Organization (SCO) has been instrumental in shaping the organization's direction and its influence in Central Asia. From the Shanghai Five to the SCO, China's participation has been driven by both security concerns and broader geopolitical strategies. As the most influential member of the organization, China has used the SCO to advance its political, economic, and strategic objectives, particularly in light of the changing dynamics in Central Asia after the collapse of the Soviet Union. Understanding China's role in the creation and evolution of the SCO highlights its growing influence in the region and its desire to secure its interests.

China's involvement in Central Asia began long before the establishment of the Shanghai Five in 1996. Historically, China had sought to maintain stability along its western borders, particularly in its Xinjiang region, which shares borders with several Central Asian countries. Following the collapse of the Soviet Union, China's concerns over regional instability, ethnic separatism, and the potential spread of Islamic radicalism in Xinjiang became more pronounced. The strategic importance of Central Asia for China was underscored by the need to prevent instability and maintain security in its western frontier (Modern Diplomacy, 2025).

The Shanghai Five was originally formed in 1996 as a security-oriented initiative aimed at resolving border disputes and addressing regional security challenges. China, alongside Russia and the Central Asian republics of Kazakhstan, Kyrgyzstan, and Tajikistan, sought to establish a framework for cooperation in managing these issues. The Shanghai Five laid the foundation for the SCO, with China playing a central role in pushing for the establishment of a cooperative regional security structure. This early focus on regional stability aligned with China's broader goal of ensuring peace and security in its western territories (Modern Diplomacy, 2025).

China's strategic interests were a key driver behind the transformation of the Shanghai Five into the Shanghai Cooperation Organization in 2001. The SCO's expansion to include Uzbekistan marked a significant shift, transforming the group from a primarily security-focused platform into a more comprehensive organization that addressed political, economic, and cultural issues. For China, this expansion provided an opportunity to further solidify its influence in Central Asia and enhance its political and economic ties with the region.

Economically, China has long recognized the importance of Central Asia's vast natural resources, including oil, natural gas, and minerals. The SCO provided a framework for China to secure access to these resources, which were critical to fueling its rapidly growing economy. Through the SCO, China has been able to deepen its economic engagement with its Central Asian neighbors, particularly Kazakhstan and Turkmenistan, both of which are major energy producers. These economic ties have been vital in advancing China's energy security strategy, allowing it to diversify its sources of energy and reduce its dependence on other regions, such as the Middle East (ibid).

China has also sought to leverage the SCO to improve regional infrastructure and connectivity, particularly through initiatives like the Belt and Road Initiative (BRI). By promoting infrastructure projects and facilitating trade and investment, China aims to strengthen its economic influence across Central Asia, positioning itself as the region's primary economic partner. The SCO has provided the platform for these initiatives, reinforcing China's role as the region's key driver of economic development (ibid).

Politically, China has been a key player in shaping the SCO's overall agenda. While the organization was initially focused on security and border issues, it quickly expanded its scope to include broader political and economic concerns. As the largest and most powerful member of the SCO, China has used its leadership role to promote its vision of a multipolar world, where regional organizations can act as counterweights to the dominance of Western powers, particularly the United States.

Additionally, China's approach to the SCO has emphasized the importance of regional sovereignty and independence. This has resonated with Central Asian countries, many of which are wary of external interference and seek to maintain their sovereignty in the face of competing geopolitical pressures. China's support for these principles has helped build trust among member states and foster closer ties between China and its Central Asian neighbors (Modern Diplomacy, 2025).

A key motivation behind China's active participation in the SCO has been to counterbalance the influence of Western powers in Central Asia. Following the 9/11 attacks, the United States expanded its military presence in the region, particularly in Afghanistan, which had significant implications for China's strategic interests. By strengthening the SCO and expanding its scope, China sought to ensure that the region did not fall under the control of Western powers, and to promote a regional order that was independent of external influence.

Through the SCO, China has been able to promote a vision of regionalism that contrasts with Western-led models of governance and intervention. This has been particularly important in the context of U.S. military operations in Afghanistan, where China and Russia have worked together to ensure that the region remains a sphere of influence for their own strategic interests. The SCO's emphasis on non-interference in domestic affairs and regional cooperation has allowed China to establish a robust alternative to Western-led initiatives in Central Asia (Modern Diplomacy, 2025).

Looking ahead, China's role in the SCO will continue to be central to the organization's future development. As the organization expands its membership and deepens its engagement with global issues, China's leadership will remain a key factor in shaping the direction of the SCO. The growing influence of India and Pakistan within the organization presents both challenges and opportunities for China, as it seeks to balance the interests of these emerging powers while maintaining its dominant position in the region.

Moreover, China's long-term goals for the SCO extend beyond Central Asia. Through the organization, China hopes to build a broader network of partnerships that can help it achieve its global ambitions. The SCO provides China with a platform for promoting its vision of a multipolar world, where power is distributed more evenly across regions and where China's voice is central in shaping global governance (N. Uzakbaev 2023).

China's role in the formation and development of the Shanghai Cooperation Organization has been instrumental in shaping the organization's objectives and its impact on regional and global geopolitics. Through the SCO, China has advanced its strategic, economic, and political goals in Central Asia, securing its position as the region's dominant power. The SCO's continued growth and success will depend in large part on China's ability to maintain its leadership and to balance the interests of its diverse membership.

5.3 China's Growing Influence Through the SCO in Central Asia

China's growing influence in Central Asia is inextricably linked to its role within the Shanghai Cooperation Organization (SCO). The SCO, formed in 2001, represents a strategic avenue for China to assert its economic, political, and security interests in the region. Over time, the SCO has evolved from a security-focused alliance to a multifaceted organization that encompasses issues of trade, infrastructure development, and cultural exchange. This transformation has allowed China to not only expand its influence in Central Asia but also to reshape the region's economic landscape, positioning itself as a dominant power while sometimes drawing criticism from smaller Central Asian states.

China's activity in Central Asia through the Shanghai Cooperation Organization (SCO) is asserted by Uzakbaev and Movkebaeva (2023) to be driven by its strategic interests in ensuring regional stability and advancing its economic agenda. The region is significant to China due to its geographical proximity to Xinjiang, a sensitive and ethnically complex region in China. Instability in Central Asia also poses potential threats to China's internal security, particularly through the threat of the spread of terrorism and extremism. By facilitating the SCO mechanism, China seeks to be a stabilizing presence in the region by increasing security cooperation and suppressing cross-border threats so that it can ensure its own internal security and regional position.

Economically, Central Asia represents a crucial hub for China's Belt and Road Initiative (BRI). The region's vast energy resources, including oil and natural gas, are critical to China's growing demand for energy. Additionally, Central Asia provides an important trade corridor between China and Europe. The SCO offers a platform for China to build infrastructure projects such as roads, railways, and pipelines that enhance its access to the region's energy resources while simultaneously boosting the local economies through trade (Dadabaev, 2013). This has positioned China as a key player in the development of the region, often sidelining Russia's traditional influence in favor of more direct Chinese involvement.

Through the SCO, China has implemented several economic programs aimed at the infrastructure development, energy cooperation, and the deepening of trade. Among the most crucial elements of these initiatives is the building of pipelines and the opening up of transport corridors to increase connectivity between Central Asia and China. These development projects are important to the regional economic growth since they provide for the continuous supply of energy sources as well as economic integration within the Eurasian continent on a broader scale (Yussupzhanovich & Tulkunovna, 2019).

However, while these projects benefit China by securing access to Central Asian energy resources and enhancing its trade routes, they also raise concerns among local populations about Chinese dominance in the region. In particular, many Central Asian governments view Chinese investments as an opportunity to diversify their economies away from Russia and the West. Yet, this shift has led to concerns about China's long-term economic and political control over Central Asia. The growing presence of Chinese businesses and workers in the region has sparked anti-Chinese sentiment, particularly among local communities who view these developments as a form of economic imperialism (Dadabaev, 2013). These concerns are compounded by perceptions that the benefits of these infrastructure projects primarily serve China's interests, with limited economic returns for the smaller Central Asian states.

China's involvement in the SCO also extends to the political sphere, where it plays a key role in shaping the organization's regional security agenda. Initially focused on resolving border disputes and combating terrorism, the SCO has increasingly tackled issues of regional governance and political stability (Yussupzhanovich & Tulkunovna, 2019). China's influence within the SCO has allowed it to promote policies that align with its interests, such as the rejection of foreign military presence in the region. The SCO has consistently voiced opposition to the U.S. military presence in Afghanistan, viewing it as a potential threat to regional stability and Chinese sovereignty (Dadabaev, 2013). This stance resonates with many Central Asian governments, who also fear the encroachment of foreign powers into their domestic affairs.

China's political influence is also reflected in its promotion of the "Shanghai Spirit," a set of principles that emphasizes mutual respect, non-interference in internal affairs, and shared economic development. This principle has resonated strongly with smaller Central Asian countries that seek to avoid external pressure, particularly from the West. However, there is a growing tension between the official rhetoric of mutual benefit and the reality of Chinese dominance in the organization's decision-making processes. While the SCO promotes a cooperative and egalitarian model, smaller Central Asian states often feel sidelined by China's increasing influence, particularly in economic matters (ibid).

Despite the benefits that China has brought to Central Asia through the SCO, there are significant concerns about the long-term implications of China's rising influence. Many Central Asian countries, particularly Kazakhstan, Kyrgyzstan, and Tajikistan, have expressed unease about the growing Chinese presence in their economies and societies. This has manifested in anti-Chinese protests, particularly in regions where Chinese businesses are seen to be taking over local markets and economic activities. These protests often reflect broader concerns about China's economic expansion and the perceived threat it poses to local businesses and labor markets (Yussupzhanovich & Tulkunovna, 2019).

Anxieties regarding Chinese economic and labor migration have driven popular resentment in parts of Central Asia. In Kyrgyzstan, protests have erupted on the assumption that Chinese laborers are displacing local laborers, and in Kazakhstan, anxieties have increased regarding Chinese control over critical energy projects. These tensions are compounded by widespread beliefs that China's involvement in the region is to further its own economic interests rather than aid equitable and beneficial development for Central Asian countries (ibid).

China's role in the SCO has undoubtedly transformed the organization into a significant regional platform for cooperation. However, the growing influence of China in Central Asia

raises important questions about the future direction of the SCO and the balance of power within the organization. While the SCO has facilitated economic development and regional stability, it has also exposed the underlying tensions between China and the smaller Central Asian states, which fear being marginalized by China's dominance. Moving forward, the success of the SCO in shaping a common regional identity will depend on its ability to address these concerns and create a more inclusive environment where all member states feel that their interests are respected and promoted.

5.4 The Evolution of China's Role in the Shanghai Cooperation Organization (SCO)

China's growing influence in Central Asia has been notably shaped by its leadership role in the Shanghai Cooperation Organization (SCO). Since its formation in 2001, the SCO has become a key platform for China to further its geopolitical and economic interests in the region. This influence has primarily been exercised through China's institutional balancing strategy, which seeks to counter external influences—particularly from the United States—while strengthening its presence within Central Asia. China's involvement in the SCO underscores its broader foreign policy objectives, particularly its aim to secure access to energy resources, promote regional security, and foster economic development, all while managing delicate relationships with Russia and other regional powers.

At the heart of China's involvement in the SCO is the country's interest in securing regional stability and ensuring its energy security. Central Asia, with its vast energy resources, is vital to China's economic ambitions, particularly as its demand for energy has grown rapidly in recent decades. The SCO provides a platform for China to deepen its ties with Central Asia, facilitating trade and investment, and providing access to critical energy resources like oil and natural gas (Yuan, 2010). Additionally, China's proximity to the region, particularly through its Xinjiang Uygur Autonomous Region, makes regional stability a national security priority. The SCO, initially formed to address non-traditional security issues such as terrorism, extremism, and separatism, offers China an effective way to manage these risks, particularly the threat posed by separatist movements in Xinjiang (Yuan, 2023).

The SCO also plays a role in China's broader geopolitical strategy to minimize Western influence in Central Asia. The U.S. military presence in the region, particularly following the events of September 11, 2001, was a source of concern for both China and Russia. Through the SCO, China has worked to promote an anti-interventionist stance, opposing the U.S. military footprint in the region and ensuring that the SCO remains a multilateral platform for cooperation, rather than an alliance with any explicit military focus (ibid).

Economically, China has used the SCO to enhance regional cooperation, particularly in energy security and infrastructure development. The SCO's economic agenda includes improving transportation links and fostering energy cooperation among member states. This is crucial for China's strategy to ensure access to the region's energy resources while diversifying its energy supply routes away from the volatile Middle East (Yuan, 2010). China's Belt and Road Initiative (BRI), which extends into Central Asia, is closely aligned with the SCO's objectives of boosting regional connectivity and economic development (Yuan, 2023). Through these initiatives, China seeks to create a more integrated Central Asia that is economically dependent on its growth and development.

However, while these economic initiatives offer significant benefits to Central Asia, they also raise concerns about China's growing dominance in the region. The increasing presence of Chinese companies and workers has fueled anti-Chinese sentiment, particularly in Kazakhstan and Kyrgyzstan. These concerns are compounded by the perception that China is using the SCO as a vehicle for expanding its economic and political influence in the region, often at the expense of local businesses and labor markets (Yuan, 2010).

A critical aspect of China's role in the SCO is its delicate relationship with Russia. Both countries share strategic interests in Central Asia, but their growing asymmetry in economic power has led to tensions. Russia, despite its historical dominance in the region, has increasingly been drawn into China's economic orbit. However, Russia is cautious about allowing China to take a more dominant role in the SCO. Moscow has been less enthusiastic about expanding the SCO's economic functions, particularly in areas where China's economic power may overshadow Russian influence (Dadabaev 2013).

Despite these tensions, both countries have managed to co-manage the SCO by focusing on shared objectives, such as countering U.S. influence in the region and promoting regional security. The collaboration between China and Russia within the SCO reflects a pragmatic approach where both countries seek to leverage the organization to advance their respective interests without undermining each other's influence (Yuan, 2023). This careful balancing act has allowed the SCO to grow and expand its membership, including the induction of India and Pakistan as full members in 2017, and most recently, Iran (Yuan, 2010).

The expansion of the SCO to include India and Pakistan has been a significant milestone in the organization's development. This expansion not only strengthens the SCO's security dimension but also enhances its geopolitical relevance by extending its reach to South Asia (Yuan, 2023). The inclusion of Iran, once its membership is formalized, will further extend the

SCO's geographic influence into the Middle East, offering new opportunities for economic and security cooperation (Dadabaev 2013).

However, the SCO's expansion and deepening integration are not without challenges. The inclusion of India and Pakistan has brought additional complexities to the organization, particularly given the longstanding tensions between the two countries. These tensions, along with divergent economic priorities, pose significant obstacles to the SCO's ability to act cohesively as a regional security and economic community. The ongoing geopolitical competition, particularly between China and India, will require careful management to prevent the SCO from becoming a forum for rivalry rather than cooperation (Yuan, 2010).

Additionally, while the SCO has made strides in addressing security concerns, such as through joint military exercises and anti-terrorism efforts, it has struggled to become a fully functional regional security community. Issues of governance, resource allocation, and institutional capacity remain significant barriers to the SCO's long-term success as a multilateral organization (ibid).

China's role in the Shanghai Cooperation Organization has evolved from a regional security initiative to a broader platform for economic cooperation and geopolitical influence. The SCO provides China with the opportunity to assert its leadership in Central Asia, promote economic development, and ensure energy security. However, the growing dominance of China within the organization has raised concerns among smaller SCO members, particularly regarding economic control and political influence. The future of the SCO will depend on how China navigates its relationship with Russia, manages regional tensions, and ensures that the organization remains inclusive and balanced, reflecting the interests of all its members while advancing China's strategic goals (Yuan, 2010; Yuan, 2023).

CHAPTER 6. CHINA'S GLOBAL STRATEGY: EXPANDING INFLUENCE IN CENTRAL ASIA AND THE CAUCASUS

6.1 Overview of China's Foreign Policy Objectives

China's foreign policy objectives in the 20th and 21st centuries have been shaped by its strategic need for security, economic growth, and geopolitical influence. These objectives are driven by a vision to maintain sovereignty, particularly in its western regions, and to secure economic and resource-based needs. The transformation from a relatively isolated country in the early years of the People's Republic of China (PRC) to a global power with a robust international presence reflects the country's desire to assert its influence, protect its territorial integrity, and safeguard its national interests. Central to China's foreign policy has been the promotion of peaceful development, fostering stable relations with neighboring states, and building cooperative relationships that extend beyond mere economic exchange (Li, 2016).

The shift in China's foreign policy, particularly since the reform era initiated by Deng Xiaoping in the late 1970s, emphasizes the need for China to engage proactively with its neighbors and the international community. This has resulted in a growing emphasis on regional cooperation, particularly through mechanisms like the Shanghai Cooperation Organization (SCO), and global initiatives such as the Belt and Road Initiative (BRI). Central Asia and the Caucasus have been central to these efforts, given their geographical proximity, economic importance, and strategic value for China's long-term stability and global aspirations (Yussupzhanovich & Tulkunovna 2019).

Central Asia and the Caucasus hold significant strategic importance for China, both historically and in contemporary geopolitics. Geographically, the region is a critical link between East Asia and Europe, and its resources are essential for China's energy security. Central Asia is rich in oil, natural gas, and minerals, making it a key source of resources for China's growing energy demands. This is particularly relevant given China's rapid industrialization and the need to secure reliable and diversified energy supplies.

Additionally, the region serves as a bridge for trade routes that connect China to Europe, the Middle East, and beyond. With the rise of the Silk Road Economic Belt—a cornerstone of China's Belt and Road Initiative—the importance of Central Asia and the Caucasus has only increased. These regions act as key transit points for goods traveling between China and Western markets. Given China's ambition to strengthen trade routes and expand its global influence, the stability and connectivity of Central Asia are integral to China's foreign policy (Li, 2016).

From a geopolitical perspective, Central Asia provides China with a buffer zone against external threats, especially given the sensitive issue of Xinjiang's stability. As a region with significant ethnic and religious diversity, Xinjiang's proximity to Central Asia makes it a focal point in China's efforts to ensure internal security and regional stability. With the rise of various separatist movements, terrorism, and extremism in the region, China's engagement in Central Asia has focused not only on economic cooperation but also on securing peace and stability (Li, 2016).

Furthermore, the Caucasus is strategically important due to its position as a crossroads between Europe and Asia. It provides access to vital energy transit routes, especially in relation to oil and natural gas pipelines that link the Caspian Sea to global markets. As China seeks to secure long-term energy resources, the Caucasus becomes increasingly relevant in its strategic calculations. The region also plays a role in balancing Russian influence, as Russia has historically been a dominant force in Central Asia and the Caucasus. China, therefore, engages in balancing its relationship with Russia while seeking to expand its own influence in the region (Yussupzhanovich & Tulkunovna 2019).

The Belt and Road Initiative (BRI), launched by President Xi Jinping in 2013, represents a major shift in China's foreign policy and global strategy. The initiative seeks to enhance trade and investment flows between China and Eurasia through a network of infrastructure projects, including roads, railways, ports, and pipelines. Central Asia and the Caucasus are central to this vision, as they form key parts of the "Silk Road Economic Belt," which connects China to Europe and the Middle East.

The BRI aims to foster economic connectivity by improving infrastructure and facilitating trade and investment between China and partner countries. Central Asia, with its vast energy resources and strategic location, is crucial to this plan. The region's cooperation with China under the BRI framework has already resulted in significant infrastructure projects, including new transportation corridors and energy pipelines that link Central Asia to China and beyond. Through these investments, China not only secures vital resources but also strengthens its economic ties with the region, positioning itself as a key economic partner for Central Asian countries (Li, 2016).

In addition to infrastructure development, the BRI also seeks to enhance cultural and political exchanges. China has been active in promoting its model of governance and development in Central Asia, offering an alternative to Western-style democracy (Li, 2016). By increasing its presence in the region through trade, investment, and soft power, China aims to

build deeper relationships with Central Asian countries, ensuring that these states remain aligned with China's strategic interests. Furthermore, China's engagement with the Caucasus under the BRI allows it to diversify its partnerships, balancing its relationship with Russia while seeking new economic opportunities in the region.

China's global strategy in the 20th and 21st centuries has been characterized by a pragmatic approach to expanding influence in key regions like Central Asia and the Caucasus. These regions are not only economically valuable to China due to their vast energy resources and strategic trade routes but also hold significant geopolitical importance. Through initiatives like the BRI, China seeks to enhance connectivity, secure energy supplies, and promote regional stability. As China continues to assert its global leadership, the role of Central Asia and the Caucasus in its foreign policy will only become more critical. However, China's efforts in these regions must navigate complex political dynamics and ensure that its engagement remains mutually beneficial to both China and its partners in Central Asia and the Caucasus.

6.2 China's Economic and Infrastructure Investments in Central Asia and the Caucasus

China's growing economic and geopolitical influence in Central Asia and the Caucasus has been marked by significant investments across key sectors such as energy, infrastructure, transportation, and trade. These investments are strategically important not only for the development of the region but also for China's broader ambitions in securing energy resources, expanding trade routes, and reinforcing its regional and global standing. China's commitment to these investments reflects a broader policy aimed at deepening economic interdependence with the region, while positioning itself as a key partner in the development of Central Asia and the Caucasus.

One of the central components of China's economic engagement in Central Asia and the Caucasus is energy. The region, rich in hydrocarbons, has long been crucial for China's growing energy demands. Central Asia, with its substantial oil, natural gas, and coal reserves, has become a critical energy supplier for China. In particular, Kazakhstan and Turkmenistan have attracted Chinese investments in their oil and gas sectors. These investments have been instrumental in expanding China's access to these vital resources, securing the long-term energy supply necessary for its industrial growth. The development of pipelines, including the China-Kazakhstan pipeline, has significantly boosted the flow of oil from Kazakhstan to China, marking a vital part of China's energy strategy in the region (Li, 2016).

Beyond oil and gas, China has focused on building essential infrastructure and transportation networks to further its economic and strategic goals. The integration of Central

Asia into China's trade network has been facilitated by extensive investments in road networks, railways, and airports. The construction of the Tajikistan-Kyrgyzstan highway and the Angren-Pap tunnel in Uzbekistan, for instance, has significantly improved connectivity across the region. These projects reduce transport costs, improve efficiency, and link Central Asia to both China and broader Eurasian markets, positioning the region as a critical player in global trade (Peyrouse, 2007).

Moreover, trade between China and the Central Asian states has surged over the last few decades, driven by China's infrastructure investments. Central Asia, once somewhat isolated due to political and economic disruptions in the post-Soviet era, has increasingly become a key partner in China's trade network. By the mid-2000s, China had become Central Asia's second-largest trading partner, behind only Russia, due to China's significant investments in transport and trade routes that enhance regional connectivity. In return, Central Asia provides China with not only energy resources but also access to new markets for Chinese exports, such as textiles, electronics, and machinery (ibid).

China's major investments in Central Asia and the Caucasus are characterized by large-scale infrastructure projects that connect the region to China and beyond. These projects include the development of extensive railway networks, highways, and energy pipelines, which have been pivotal in enhancing connectivity and trade. One of the most significant developments is the West-East Gas Pipeline, a major infrastructure project that links Central Asia, particularly Turkmenistan, to China. The pipeline, which began operation in 2009, is designed to transport gas from Turkmenistan, Uzbekistan, and Kazakhstan to China, and it is expected to meet a large portion of China's gas demand for decades to come (Li, 2016).

In addition to energy infrastructure, China has invested in road and rail systems, which serve to strengthen trade and economic ties across Central Asia. The construction of the Kazakhstan-China International Transit Corridor is another key initiative that facilitates the movement of goods from China to Central Asia and Europe. These transportation projects, along with the development of ports and logistic hubs in the Caspian Sea region, help integrate Central Asia into global supply chains, expanding China's influence as a global trade power (Peyrouse, 2007).

Another critical area of investment has been telecommunications. China has provided technological assistance and financing to modernize telecommunications infrastructure in several Central Asian countries. These investments aim to improve communication networks and connect the region to global markets, which is essential for boosting economic growth and

attracting foreign investment. China's involvement in Central Asia's digital infrastructure is a key part of its strategy to integrate the region into the global economy, positioning China as a technological partner and increasing its economic footprint.

Chinese investments have had a profound impact on the economies of Central Asia and the Caucasus, especially in terms of infrastructure, job creation, and economic development. The development of energy infrastructure has helped increase the local supply of electricity and heating, while new road networks have improved the mobility of goods and people within the region. Furthermore, Chinese investments have been critical in modernizing outdated Soviet-era infrastructure, improving transportation networks, and providing the necessary capital for regional economic development.

However, the economic benefits of these investments are not without challenges. One major concern is the issue of debt sustainability. Some countries in Central Asia, such as Tajikistan and Kyrgyzstan, have taken on significant loans to finance infrastructure projects with Chinese companies. While these loans have allowed for the modernization of infrastructure, there are growing concerns about the ability of these countries to repay the debt, especially in light of fluctuating commodity prices and the ongoing pressures on regional economies (Li, 2016). The potential for a “debt trap” has become a topic of debate, with critics arguing that China’s investments could lead to a situation where Central Asian countries become overly reliant on Chinese loans and investments.

In addition to the financial risks, there are concerns about the local economic impact of Chinese imports. Chinese goods, including textiles, machinery, and electronics, have flooded Central Asian markets, often outcompeting local industries. This has led to concerns about the deindustrialization of local economies, as many Central Asian businesses struggle to compete with the lower-priced goods imported from China. The influx of Chinese goods has raised questions about the long-term sustainability of local industries and the potential negative impact on employment in some sectors (Peyrouse, 2007).

At the same time, Chinese investments have led to job creation in construction, infrastructure development, and energy sectors, providing much-needed employment opportunities. In countries like Kazakhstan and Uzbekistan, Chinese-funded projects have helped improve living standards and provide modern amenities to communities that were previously underserved. Moreover, Chinese investments in the region have stimulated regional economic growth, increased trade flows, and opening new markets for local products. These

developments, while not without challenges, have played a crucial role in the economic recovery and growth of Central Asia after the collapse of the Soviet Union.

China's economic and infrastructure investments in Central Asia and the Caucasus have had a significant and lasting impact on the region's development. Key sectors such as energy, infrastructure, transportation, and trade have seen substantial improvement due to Chinese involvement. These investments have not only enhanced regional connectivity and resource access but have also contributed to the modernization of local economies. However, challenges such as debt sustainability and competition from Chinese imports remain, and these must be carefully managed to ensure that the benefits of Chinese investments are sustainable in the long run. As China continues to deepen its engagement with Central Asia and the Caucasus, it will be important for both China and the recipient countries to address these challenges while maximizing the potential of these investments for regional development.

6.3 Geopolitical Implications of China's Engagement in the Region

China's diplomatic relations with Central Asia and the Caucasus have evolved significantly, especially since the collapse of the Soviet Union in 1991. The newly independent states of Central Asia—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—have become central to China's foreign policy due to their strategic location, abundant natural resources, and economic potential. Similarly, China has built strong partnerships with the Caucasus countries of Armenia, Azerbaijan, and Georgia, primarily through trade, energy agreements, and regional diplomacy.

Central Asia has been especially important for China, given the region's proximity to Xinjiang, China's westernmost province. The stability of Central Asia directly impacts China's internal security concerns, particularly regarding ethnic unrest and separatist movements in Xinjiang. In addition to security considerations, China has sought to secure energy resources from Central Asia, such as natural gas, oil, and minerals, while simultaneously opening new markets for Chinese goods. This economic diplomacy has significantly strengthened China's relationships with Central Asian countries.

The framework of China's diplomatic relations in the region has been built through regional multilateral organizations, particularly the Shanghai Cooperation Organization (SCO), which was founded in 2001. The SCO has played a crucial role in fostering economic cooperation and regional security, as it includes China, Russia, and several Central Asian countries. This organization allows China to engage directly with both Russia and Central Asian states, balancing regional security concerns with economic interests. Through the SCO, China

has promoted cooperative measures on issues such as counterterrorism, energy security, and infrastructure development (Kuchins & Shinn, 2016).

In the Caucasus, China's engagement is primarily economic, with significant investments in infrastructure projects and trade partnerships. However, China has maintained a relatively neutral position on regional conflicts and preferring to avoid entangling itself in politically sensitive issues while still fostering strong bilateral relations with both countries. China's relations with Georgia have been growing due to their shared interests in economic development and connectivity, particularly regarding trade routes to the Black Sea (Yazdani, 2020).

China's engagement in Central Asia and the Caucasus has been deeply influenced by its relations with Russia and the United States. Russia, as the traditional dominant power in the region, has been both a partner and a competitor for China in Central Asia. The two countries share mutual interests, particularly in the areas of energy security, trade, and regional stability. However, tensions sometimes arise as China's growing economic influence in the region has raised concerns in Moscow about China's increasing dominance in what Russia considers its sphere of influence.

The bilateral relationship between China and Russia has evolved from one of competition to cooperation, particularly in the economic sphere. Both nations recognize the strategic importance of Central Asia and the Caucasus in their broader geopolitical agendas. For example, China and Russia have collaborated in energy projects, such as the Power of Siberia pipeline, which not only strengthens their bilateral ties but also increases their collective influence over Central Asia's energy resources. However, Russia remains wary of China's growing presence and is cautious of China's economic clout in Central Asia, which could eventually undermine Russia's influence (Baturin, 2017).

The United States has been a key player in Central Asia since the early 2000s, especially following the War on Terror. After the September 11 attacks, the U.S. established military bases in countries like Kyrgyzstan and Uzbekistan, and its involvement in the region was primarily centered around security concerns. The U.S. presence has led to competition between Washington and Beijing, as both powers vie for influence in Central Asia. While the U.S. has focused more on military engagement and security issues, China has pursued a more comprehensive approach, focusing on trade, energy, and infrastructure investments. As a result, China's influence in Central Asia has steadily increased, especially in terms of economic ties, while the U.S. has seen its influence waning in recent years (Shichor, 2016).

Other global powers, such as the European Union and India, have had limited but growing roles in Central Asia and the Caucasus. The EU, for instance, has been active in promoting political reforms, human rights, and economic development in the region. India, on the other hand, has primarily been focused on securing energy supplies and fostering trade with Central Asian countries. However, neither the EU nor India has been able to match China's economic clout in the region, making China the dominant external actor (Wright, 2020).

China's role in regional stability and security in Central Asia and the Caucasus is multifaceted. Security concerns, particularly regarding terrorism, extremism, and separatism, have shaped China's foreign policy in these regions. Central Asia, with its proximity to Afghanistan, has been an area of strategic importance for China, as instability in Afghanistan has the potential to spill over into Xinjiang. China's involvement in regional security arrangements, especially through the Shanghai Cooperation Organization (SCO), is designed to address these threats.

The SCO has been central to China's strategy of fostering security cooperation with Russia and Central Asia. The organization emphasizes counterterrorism, regional security, and stability, providing a platform for China to cooperate with regional states in addressing shared security concerns. Additionally, China has supported the training of local security forces and provided military assistance to Central Asian countries to help them counter extremism and maintain stability within their borders (Kuchins & Shinn, 2016). China's engagement in the region also includes assistance in infrastructure development, which contributes to the broader security agenda by promoting economic development, thus reducing the likelihood of instability. By fostering economic ties and investments, China has provided an avenue for peace through prosperity, which has helped to stabilize the region economically, even if political tensions persist. China has also played a role in post-conflict reconstruction, particularly through investments in infrastructure and trade. (Yussupzhanovich & Tulkunovna 2019)

Moreover, China's involvement in Afghanistan, particularly following the U.S. military withdrawal, is a key aspect of its role in regional security. Through investments in reconstruction and development projects, China aims to promote stability in Afghanistan, thus reducing the potential for extremism and instability that could affect both Central Asia and Xinjiang (Brown, 2020). Additionally, China's role as a diplomatic actor in regional peace processes, such as the Afghan peace talks, highlights its growing influence in maintaining stability across the broader Central Asian and South Asian regions.

China's engagement in Central Asia and the Caucasus has far-reaching geopolitical implications, with significant diplomatic, economic, and security dimensions. By strengthening its relationships with Russia, managing competition with the United States, and positioning itself as a key actor in regional stability, China has solidified its influence in these strategically important regions. As the global power dynamics shift, China's role in shaping regional security, fostering economic cooperation, and maintaining stability will continue to be a critical factor in the development of Central Asia and the Caucasus. While challenges remain, especially in balancing relations with Russia and dealing with regional conflicts, China's comprehensive approach ensures that its presence in these regions will only grow in the coming decades.

6.4 Challenges and Future Prospects for China's Investments in Central Asia and the Caucasus

China's growing economic and geopolitical influence in Central Asia and the Caucasus has been marked by significant investments across key sectors such as energy, infrastructure, and trade. These investments are strategically important not only for the development of the region but also for China's broader ambitions in securing energy resources, expanding trade routes, and reinforcing its regional and global standing. China's commitment to these investments reflects a broader policy aimed at deepening economic interdependence with the region, while positioning itself as a key partner in the development of Central Asia and the Caucasus.

One of the most significant challenges for China's investments in Central Asia and the Caucasus is the geopolitical tensions within the region. The Central Asian states, while largely independent, remain under the shadow of Russia, which continues to view the region as part of its sphere of influence. While China and Russia have collaborated in energy, infrastructure, and regional security, there remains an undercurrent of competition. Russia is wary of China's growing economic influence in the region, particularly its investments in energy infrastructure and trade routes. This tension could limit China's ability to freely expand its influence and investments without facing pushback from Russia or other regional powers.

Additionally, Central Asia and the Caucasus have experienced political instability and ethnic conflict, which pose risks for long-term investments. For example, while China has been a key partner in developing infrastructure and energy projects in Kazakhstan, Kyrgyzstan, and Tajikistan, these countries are still dealing with issues such as corruption, political instability,

and the threat of extremist movements. These challenges could impact the stability needed for Chinese investments to thrive (Li, 2016).

Debt sustainability is another challenge that has emerged as a concern in China's investments in Central Asia. Several Central Asian countries have taken on substantial debt to finance Chinese-backed infrastructure and energy projects. These investments often come with the risk of high repayment burdens, which could undermine economic stability in the long term. For instance, Tajikistan and Kyrgyzstan have faced significant challenges in servicing Chinese loans, particularly in relation to major infrastructure projects like roads, bridges, and energy pipelines. As the region's economies are largely dependent on exports of natural resources such as oil, gas, and minerals, fluctuations in global commodity prices can create further economic strain (Li, 2016).

There is also the risk that these countries might become overly reliant on Chinese financing, leading to a form of "debt trap diplomacy" where local governments might be forced to make political concessions to China if they are unable to meet repayment schedules. This is a concern not only for China but also for the recipient nations, which could face long-term economic instability. In cases where debt servicing becomes unmanageable, these countries may find themselves increasingly dependent on Chinese assistance, which could limit their ability to pursue independent foreign policies (Peyrouse, 2007).

The environmental and social impacts of Chinese investments are increasingly under scrutiny. While infrastructure development in the region has certainly improved connectivity and provided economic opportunities, large-scale projects, especially in the energy and mining sectors, can have significant environmental consequences. The extraction of natural resources, such as oil and gas, has led to environmental degradation in several areas of Central Asia. For instance, in Kazakhstan, China's investments in the energy sector have raised concerns about pollution, water scarcity, and the ecological impact of oil extraction.

Moreover, the rapid pace of infrastructure development has led to concerns about the social and cultural impacts on local populations. In some regions, large Chinese investments in infrastructure have been accompanied by an influx of Chinese workers, which has created tensions with local populations. There have been reports of labor disputes and discontent over the lack of local employment opportunities in projects funded by China. While these projects contribute to economic growth, they can also exacerbate social inequalities and undermine local communities if not properly managed (Li, 2016).

Despite these challenges, China's investments in Central Asia and the Caucasus have significant future prospects, driven by both economic and strategic interests. Several factors suggest that China will continue to expand its engagement in the region, even as it navigates these obstacles.

One of the most promising prospects for China's investments is the continued integration of Central Asia into broader global and regional markets. Through strategic investments in infrastructure, energy, and transportation, China has the potential to enhance the connectivity of Central Asia, facilitating more efficient trade routes between Asia, Europe, and the Middle East. This increased connectivity is expected to provide substantial economic benefits to the region, fostering growth in sectors such as trade, logistics, and tourism. The development of railways, highways, and pipelines is already reducing transportation costs, which could improve market access for both China and Central Asia's economies in the long run (Li, 2016).

Furthermore, as global trade continues to grow, Central Asia's role as a transit hub between East and West will become even more vital. China's investments in the region's infrastructure, such as the Kazakhstan-China international transit corridor, position the region as a key player in global trade routes. These investments are expected to increase regional exports and attract more foreign investment, thereby boosting economic growth and stability (Peyrouse, 2007).

Energy security remains a top priority for China, and its investments in Central Asia's energy sector are likely to continue to grow in the future. The region's vast natural gas, oil, and mineral resources provide China with a reliable and diversified source of energy. In particular, the China-Central Asia pipeline network, which supplies natural gas from Turkmenistan, Uzbekistan, and Kazakhstan to China, is expected to expand, allowing China to meet its growing energy needs while reducing reliance on other sources. As global demand for energy rises, China's energy partnerships in Central Asia will be crucial for ensuring long-term energy security (ibid).

Additionally, the increasing importance of renewable energy sources, such as wind and solar power, presents opportunities for China to expand its investments in green technologies in Central Asia. China's leadership in renewable energy technologies could provide the region with much-needed resources to meet sustainable energy goals while diversifying its energy mix and reducing environmental impacts (Li, 2016).

In the coming decades, China's ability to balance its relations with Russia, the United States, and other global powers will be crucial for maintaining its influence in Central Asia and the Caucasus. Despite competition, China's growing economic role in the region provides it with leverage in diplomatic discussions, offering opportunities for collaboration rather than confrontation. Through multilateral frameworks like the SCO, China will continue to play a significant role in regional security, offering both security guarantees and economic partnerships to Central Asian countries (Kuchins & Shinn, 2016).

Moreover, China's non-interventionist approach and focus on economic cooperation provide an attractive alternative for countries in the region, particularly those looking to avoid entanglement in the geopolitical rivalries between the U.S. and Russia. This approach could ensure that China remains a key player in shaping the future economic and political landscape of Central Asia and the Caucasus.

China's investments in Central Asia and the Caucasus present both significant opportunities and challenges. The region's energy resources, strategic location, and need for infrastructure development make it an attractive partner for China, while its geopolitical and economic complexities require careful management. As China continues to engage in long-term projects in energy, transportation, and trade, it will need to address concerns about debt sustainability, environmental impacts, and local political dynamics. However, the prospects for continued growth remain strong, with regional integration and energy security serving as key drivers for future investments. As China navigates these challenges and opportunities, its engagement in the region is set to play a crucial role in shaping the economic and political future of Central Asia and the Caucasus.

SUMMARY OF FINDINGS

Hypothesis 1

China's strategic investments in infrastructure and energy sectors in Central Eurasia significantly enhance its geopolitical influence, leading to deeper economic interdependence between China and Central Asian countries.

Neorealism, best articulated by Kenneth Waltz (1979), argues that in the anarchy world system, the states pursue survival policies, security, and relative gains of power. On this account, Chinese investments in energy and infrastructure throughout Central Eurasia under the umbrella of the Belt and Road Initiative (BRI) are not only economic but also strategic endeavors to elevate China's profile in the region. By embedding itself within the economies of weaker states in long-term ventures like pipelines, roads, and railways, China increases the ability to influence the political behavior of these states and thus is in a strong position regionally.

John Mearsheimer's (2001) offensive realism school of neorealism even makes this explanation more robust by suggesting that rising powers have a tendency to seek regional hegemony naturally. China's actions in Central Eurasia therefore represent not merely an avenue of access to market and resources, but a conscious quest for influence over a geopolitically strategic space, as a hegemon with a covering dose of immunity from exposure to the great powers. The resulting economic interdependence encourages a form of structural influence in which Chinese power is nested in Central Eurasian states' institutions, debt, and trade relations.

Hypothesis 2

As a result of China's growing influence and economic interdependency with Central Eurasian countries, these nations may seek to expand their ties with Russia and other global powers to maintain a balance of power and safeguard their sovereignty.

This hypothesis is directly analogous to the neorealist principle of balancing behavior, which states that states, particularly weaker ones, will take steps to counter the increasing power of a hegemonic actor to ensure their autonomy (Waltz, 1979). As China increases its presence in Central Eurasia through deep economic engagement, smaller regional states may be structurally predisposed to hedge against over-dependence on Beijing by diversifying external relations.

This strategic balancing more frequently manifests as renewed or strengthened ties with other great powers, most notably Russia, which has traditional influence in the region, and

perhaps Western powers or multilateral organizations outside of the SCO. This balancing is in line with Waltz's idea that states form alliances not based on ideological similarity but rather in response to shifts in the distribution of capabilities that threaten their sovereignty.

Moreover, as the SCO reflects a synthesis of cooperation and competition, the joint Chinese-Russian leadership of the institution is indicative of temporary alliances for the management of current threats and ongoing maneuvering for long-term dominance. The Central Asian states, operating within this competitive framework, are acting rationally under the neorealist premise by hedging their bets and seeking strategic partnerships with more than a single dominant power in an attempt to maximize their security options.

CONCLUSION

This thesis examined the growing influence of China in Central Eurasia, particularly through its economic, political, and security engagements in Central Asia and the Caucasus. The study highlighted China's rising dominance in the region, facilitated by its strategic investments under the Belt and Road Initiative (BRI), aimed at improving infrastructure, energy cooperation, and regional connectivity. China's approach to regional integration, by enhancing trade routes and fostering economic interdependence, presents both opportunities and challenges for Central Eurasian nations, particularly in terms of sovereignty and political stability.

The research demonstrated that Central Asia's vast energy resources and strategic location have made it an essential component of China's global ambitions. Through its investments in key infrastructure projects like railways, pipelines, and highways, China not only secures vital trade routes but also strengthens its geopolitical influence. This economic strategy is in line with China's broader goal of establishing regional dominance while fostering closer economic ties with local economies, as evidenced by the increasing Chinese trade presence in countries like Kazakhstan, Turkmenistan, and Uzbekistan.

However, the growing Chinese footprint has also sparked concerns regarding the sovereignty of local governments. Many Central Asian states, while benefiting economically, fear over-dependence on China. This has led to complex political dynamics, especially when balancing relations with Russia, which historically held influence over the region. The rivalry between China and Russia, though mostly cooperative, presents an ongoing challenge, as both powers seek to assert dominance in Central Asia, creating a delicate equilibrium that Central Asian states must navigate.

China's involvement in multilateral organizations like the Shanghai Cooperation Organization (SCO) has provided it with a platform to engage in regional security efforts. Through the SCO, China has been able to project power in terms of regional stability while addressing concerns like terrorism. Nevertheless, the growing presence of China in Central Eurasia poses risks, particularly in terms of geopolitical instability and the potential for conflict with other global powers, notably the United States, which has historically influenced the region.

The future trajectory of China's influence in Central Eurasia will depend on its ability to balance its economic objectives with the political and security realities of the region. As the study indicates, China must carefully manage its relationships with both local governments and

competing global powers to maintain its regional hegemony without alienating key stakeholders like Russia. The delicate nature of this balancing act will shape the political and economic landscape of Central Eurasia for years to come.

Ultimately, while China's engagement in Central Eurasia presents significant opportunities for development and growth, it also raises critical concerns about sovereignty, regional stability, and the balance of power in the region. The future of this influence will depend on China's capacity to address these challenges while maintaining its strategic objectives in the region. As Central Eurasian countries continue to diversify their international relations, China's role will likely remain crucial, influencing not only regional dynamics but also global geopolitical structures.

REFERENCES

1. Aris, S. (2011). *Eurasian regionalism: The Shanghai Cooperation Organisation*. (11 apr)
2. Barisitz, S. (2017). *Central Asia and the Silk Road: Economic Rise and Decline Over Several Millennia*. Springer. (4may)
3. Baturin, A. (2017). *Sino-Russian relations in Central Asia: A strategic partnership or a rivalry?*. Central Asia-Caucasus Institute. (4may)
4. Beeson, M. (2018). Geoeconomics with Chinese characteristics: The BRI and China's evolving grand strategy. *Economic and Political Studies*. (11april)
<https://doi.org/10.1080/20954816.2018.1498988>
5. Blanchard, C. M. (2006). *China's Relations with Central Asia: The Impact of the Soviet Collapse*. Congressional Research Service. (28 April)
6. Blanchard, J.-M. F. (2021). *Belt and Road Initiative Blues: Powering BRI Research Back on Track to Avoid Choppy Seas*. *Journal of Chinese Political Science*, 26, 235-255. <https://doi.org/10.1007/s11366-020-09717-0> (23 april)
7. Brown, K. (2013). *Sino-Soviet relations and the Cold War*. Oxford University Press.
8. Brown, K. (2020). *China's growing influence in Central Asia and its impact on regional security*. *Journal of Contemporary Asia*, 50(3), 455-470. (may)
9. Cheng, L. K. (2016). Three questions on China's "belt and road initiative". *China economic review*, 40, 309-313. (29 mart)
10. Chung, C. P. (2006). China and the institutionalization of the Shanghai Cooperation Organization. *Problems of Post-Communism*, 53(5), 3-14. (25 april)
11. Clarke, M. (2017). The Belt and Road Initiative: China's new grand strategy? *Asia Policy*, 24, 71-79. <https://doi.org/10.1353/asp.2017.0023> (8 may)
12. Cooley, A. (2015). *Great Games, Local Rules: The New Great Power Contest in Central Asia*. Oxford University Press. (7 april)
13. Council on Foreign Relations. (2024). *The Shanghai Cooperation Organization*. Retrieved from <https://www.cfr.org/background/shanghai-cooperation-organization> (12 may)
14. Dadabaev, T. (2013). *Shanghai Cooperation Organization (SCO) Regional Identity Formation from the Perspective of the Central Asia States*. *Journal of Contemporary China*, 23(85), 102-118. <https://doi.org/10.1080/10670564.2013.809982> (20 april)
15. Decisive Encounters: The Chinese Civil War, 1946-1950 Joseph Esherick 2005 (20 april)

16. Dreyer, E. L. (1988). *China's Political System and Relations with Central Asia: The Ming Dynasty and the Timurids*. Yale University Press. (11 may)
17. Dreyer, E. L. (1988). *China's Political System and Relations with Central Asia: The Ming Dynasty and the Timurids*. Yale University Press. (22 may)
18. Emperor Wu of the Han Dynasty and the Jiao Di Opera Bai Xiaotian - ICELAIC 2018 (1 may)
19. European Parliament. (2015). *The Shanghai Cooperation Organization and its Role in Regional Security*. European Parliamentary Research Service. Retrieved from https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282015%29564367 (9 may)
20. <https://jamestown.org/program/xis-grip-on-authority-loosens-amid-trade-war-policy-paralysis/> (11 april)
21. Huang, Y. (2016). Understanding China's Belt & Road Initiative: Motivation, framework, and assessment. *China Economic Review*. <https://doi.org/10.1016/j.chieco.2016.07.007> (22 april)
22. Hughes, A. C., Lechner, A. M., Chitov, A., Horstmann, A., Hinsley, A., Tritto, A., ... & Yu, D. W. (2020). Horizon scan of the belt and road initiative. *Trends in Ecology & Evolution*, 35(7), 583-593. (3 april)
23. Hurley, J., Morris, S., & Portelance, G. (2018). Examining the debt implications of the Belt and Road Initiative from a policy perspective. *Center for Global Development*. (21 mart)
24. Jiang, L. (2020). The critics and development of China's 'One Belt One Road' initiative for global economic development and sustainability. *Governance and Sustainability*, 15, 131-144. <https://doi.org/10.1108/S2043-052320200000015013> (18 mart)
25. Kaczmarek, M. (2015). *Russia-China Relations in the Post-Crisis International Order*. Routledge. (10 may)
26. Kaw, M. A. (2010). Reassessing the Role of SCO in the South & Central Asian Context. *Journal of South Asian and Middle Eastern Studies*, 33(2), 34-49. (2 april)
27. Kuchins, A. C., & Shinn, D. H. (2016). *The geopolitics of China's role in Central Asia*. *Foreign Affairs Review*, 18(2), 35-52. (25 april)
28. Kueh, Y. Y. (2002). *China's Economic Strategy in Central Asia: Cooperation and Rivalry with Russia*. *Asian Economic Policy Review*, 1(1), 85-102. (18 may)

29. Li, M. (2016). From Look-West to Act-West: Xinjiang's role in China–Central Asian relations. *Journal of Contemporary China*, 25(101), 689-705.
<https://doi.org/10.1080/10670564.2015.1132753> (28 mart)
30. Li, Z., Schindler, S., & Liu, W. (2020). Demystifying Chinese overseas investment in infrastructure: Port development, the Belt and Road Initiative and regional development. *Journal of Transport Geography*, 87, 102812.
<https://doi.org/10.1016/j.jtrangeo.2020.102812> (29 mart)
31. Matveeva, A. (2013). *Russia's Changing Role in Central Asia*. *European Security*, 22(4), 1-23. <https://doi.org/10.1080/09662839.2013.847354> (2 may)
32. Mearsheimer, J. J. (2001). *The tragedy of great power politics*. (30 mart)
33. Mendelson, M. (2003). *Russian-China Relations: Strategic Interests in Central Asia and Beyond*. *Asia-Pacific Journal*, 5(3), 27-44.
Michal Biran <https://doi.org/10.1111/hic3.12095> (12 may)
34. Millward, J. A. (1998). *Beyond the pass: Economy, ethnicity, and empire in Qing Central Asia, 1759–1864*. Stanford University Press. (30 april)
35. Mobley, T. (2019). The Belt and Road Initiative: Insights from China's Backyard. *Strategic Studies Quarterly*, 13(3), 52–72. <https://www.jstor.org/stable/26760128> (19 may)
36. Modern Diplomacy. (2025, April 25). *China's Role in the SCO and its Impact on the Stability of Central Asia*. Retrieved from
<https://moderndiplomacy.eu/2025/04/25/chinas-role-in-the-sco-and-its-impact-on-the-stability-of-central-asia/> (9 mart)
37. Perdue, P. C. (1998). *Boundaries, Maps, and Movement: Chinese, Russian, and Mongolian Empires in Early Modern Central Eurasia*. *The International History Review*, 20(2), 263-286. <https://doi.org/10.1080/07075332.1998.9640823> (19 may)
38. Petersen, A., & Barysch, K. (2011). *Russia, China and the Geopolitics of Energy in Central Asia*. Centre for European Reform. (6 may)
39. Peyrouse, S. (2007). *Economic Aspects of the Chinese-Central Asian Rapprochement*. Central Asia-Caucasus Institute & Silk Road Studies Program. (19 mart)
40. Rajkai, Z. (2015). *The Timurid Empire and Ming China: Theories and Approaches Concerning the Relations of the Two Empires*. Budapest Monographs in East Asian Studies. (9 april)
41. Rajkai, Z. (2015). *The Timurid Empire and Ming China: Theories and Approaches Concerning the Relations of the Two Empires*. Budapest Monographs in East Asian Studies. (30 april)

42. Rolland, N. (2017). China's "Belt and Road Initiative": Underwhelming or game-changer? *The Washington Quarterly*, 40(1), 127-142.
<https://doi.org/10.1080/0163660X.2017.1302743> (27 mart)
43. Russel, D. R., & Berger, B. (2019). Navigating the Belt and Road Initiative. *Asia Society*.<https://asiasociety.org/sites/default/files/2019-> (23 may)
44. Schindler, S., & Liu, W. (2020). The Belt and Road Initiative and its environmental impacts. *Environments*, 6(6), 72. <https://doi.org/10.3390/environments6060072> (1 may)
45. Schrader, M. (2018). Domestic criticism may signal shrunken Belt and Road ambitions. *China Brief*. (18 may)
46. Shichor, Y. (2016). *China's rise in Central Asia: A challenge to U.S. influence*. *Asian Security Studies*, 12(4), 235-248. (21 may)
47. Swaine, M. D. (2011). *China's Strategic Partnership with Russia and Its Implications for Central Asia*. The Carnegie Endowment for International Peace. (9 may)
48. Teo, H. C., Lechner, A. M., Walton, G. W., Chan, F. K. S., Cheshmehzangi, A., Tan-Mullins, M., Chan, H. K., Sternberg, T., & Campos-Arceiz, A. (2019). Environmental impacts of infrastructure development under the Belt and Road Initiative. *Environments*, 6(6), 72.<https://doi.org/10.3390/environments6060072> (11 may)
49. Teo, H. C., Lechner, A. M., Walton, G. W., Chan, F. K. S., Cheshmehzangi, A., Tan-Mullins, M., Chan, H. K., Sternberg, T., & Campos-Arceiz, A. (2019). Environmental impacts of infrastructure development under the Belt and Road Initiative. *Environments*, 6(6), 72.<https://doi.org/10.3390/environments6060072> (27 april)
50. The Chinese Communist Party and the Collapse of Soviet Communism Published online by Cambridge University Press: 12 February 2009 John W. Garver (18 may)
51. Biran, M. (2013). The Mongol Empire in world history: The state of the field. *History Compass*, 11(11), 1021-1033. (21 may)
52. The Territorial Terms of the Sino-Russian Treaty of Nerchinsk, 1689 V. S. Frank
<https://doi.org/10.2307/3635997> (28 may)
53. Uzakbaev, N., & Movkebaeva, G. (2023). EXTERNAL POWERS IN CENTRAL ASIA: SCO'S ROLE IN THE DISTRIBUTION OF POWER IN THE REGION. BULLETIN of Ablai Khan KazUIRandWL Series "International Relations and Regional Studies", 54(4). <https://doi.org/10.48371/ISMO.2023.54.4.011> (24 april)
54. Waltz, K. N. (1979). *Theory of international politics*. (8 may)

55. Wang, G., Chen, Q., Yang, Y., Duan, Y., & Yang, Y. (2022). Exchanges of economic plants along the Land Silk Road. *BMC Plant Biology*, 22, 619.
<https://doi.org/10.1186/s12870-022-04022-9>. (20 may)
56. Westad, O. A. (2005). *The Cold War: A World History*. Basic Books. (23 may)
57. Wright, T. (2020). *China's foreign policy in the Caucasus: Economic diplomacy and strategic interests*. *Journal of Eurasian Studies*, 11(1), 21-36. (23 may)
58. Yuan, J. (2023). Forging a new security order in Eurasia: China, the SCO, and the impacts on regional governance. *Chinese Political Science Review*, 8, 422–439.
<https://doi.org/10.1007/s41111-022-00223-7> (27 april)
59. Yuan, J.-D. (2010). China's role in establishing and building the Shanghai Cooperation Organization (SCO). *Journal of Contemporary China*, 19(67), 855-869.
<https://doi.org/10.1080/10670564.2010.508587> (21 april)
60. Yussupzhanovich, R. I., & Tulkunovna, Z. M. (2019). Role of SCO in the Eurasian Continent. *India Quarterly*, 75(1), 43-55.
<https://doi.org/10.1177/0974928418821487> (Original work published 2019) (12 may)
61. Zhang, W. (2001). *Ming-Timurid Relations: Trade and Diplomacy*. Harvard University Press. (23 mart)