# THE TROIKA'S (THE U.S, RUSSIA AND CHINA) COMPETITIVE PLANS OF INTEGRATION FOR CENTRAL ASIA

# Akash Khan\* & Liu Hong Zhong\*\*

#### **Abstract**

The Central Asian hinterland had been the central point of the 19<sup>th</sup> century imperial rivalry between Russia and Britain. The importance of Central Asia remains the same, though the players and its dimensions have changed. Two aspects have increased the importance of Central Asia in global politics. First aspect is the geographical position of Central Asia, that the region is landlocked. Therefore, it requires developed overland connectivity routes to approach other states and markets. The second aspect is the abundance of gas and oil reserves in the area. The concept of control over integration is the soul of the current geostrategic situation of Central Asia. The three great powers such as China, Russia and USA are working on their integration plan to provide direction to the region and manipulate the region according to their desires and interests. The great powers try to increase their own influence and to deny it to others (competitors). The great powers struggle for control over the production and marketing of hydrocarbon resources, transit routes and their influence in the region. Competition and collaboration are manifest in the changing competition and competitive interests of the great powers. Beijing enjoys a favorable geographical position over the Washington and is close to the region. Beijing enjoys huge financial and economic leverage as compared to Moscow. China's initiative is providing outlets to Central Asian Republics (CARs) and consequently the region is rapidly coming under its influence.

**Keywords:** Central Asia, Integration plan, The New Silk Road Initiative, Russia's Eurasian Economic Union (EAEU) and China's Belt and Road Initiative (BRI).

<sup>\*</sup> Ph.D. Research Scholar, World Economy, School of International Studies, Liaoning University, China. E-mail: <a href="mailto:akashkhanndu@gmail.com">akashkhanndu@gmail.com</a>

<sup>\*\*</sup>Professor, Shanghai International Studies University, China. Email: hongzhongliu@126.com (Corresponding Author).

#### 1. Introduction

In the age of globalization, Central Asian Republics played a new role in the world politics. During the nineteenth century, both Russian and British empires saw prize of the region. To their diplomatic and intelligence warfare was given the name of "Great Game". In twentieth century, the Central Asian region was considered as the backyard of Soviet Union and was ignored by the world powers. But today Central Asia is considered as the centre of economic integration and a home to the world's most dynamic economies during the last decades. It was the subject of 'Great Game' between Russian and British imperialists in the nineteenth century, but it was ignored in the twentieth century as a remote landlocked area, with little or no access to world events.<sup>1</sup>

In 1980s, China opened to the outside world, in early 1990s the Soviet Union disintegrated, the 9/11 accident followed by the Afghan and Iraq war have completely changed the entire region. Afghanistan, adjacent to Central Asia, Pakistan, Iran and Iraq geopolitics have gained attention of the world to curb the unstable arc from Central and South Asia to Middle East. Central Asia is at the heart of the Eurasian super-continent, which is the most important part of the modern world economy. Bordered with fast-growing economies such as Russia and China. Central Asia is the hub of intercontinental trade and play a role of transit route between Asia and Europe. In addition, it is the great source of mineral and energy resources and hosts well-educated population. Former Soviet Central Asian Republics have 60 million population. If Azerbaijan, Afghanistan, Mongolia and Uyghur Xinjiang autonomous region of China to incorporate as the regular geographic frontiers of the present Central Asia, total population reaches 123 million.<sup>2</sup>

The competency of human and natural resources and its significant location quickly integrating Eurasian economic space has become a prize for which the great powers are competing. Beside the surrounding countries of Central Asia, the U.S. and Europe also had quite good interests in the region. But there interests diverge, such as the main focus is to access the energy resources such as gas and oil reserves of Central Asia and to control its transportation. Russia tries to maintain its transport monopoly in the region, which preferentially give them access to gas and oil of Central Asia to other parts of the world. The U.S. and Europe want to diversify energy routes towards west through Turkey, Georgia and Azerbaijan. China is empowering

<sup>&</sup>lt;sup>1</sup> E. Ingram, Great Britain's Great Game: An Introduction. *The International History Review*, (1980): 160-171.

<sup>&</sup>lt;sup>2</sup> Q. Fatima, & S. Zafar, New Great Game: Players, Interests, Strategies and Central Asia. *South Asian Studies*, (2014): 623-652.

itself by making infrastructure of pipeline towards the east. Pakistan and India want to diversify untapped natural resources towards the south.<sup>3</sup>

On the other hand, CARs have internal issues, compete with each other for water resources. As like Tajikistan and Kyrgyz Republic are upstream desire to develop reservoirs and dams for hydropower generation. During the Soviet period, the reservoirs were developed mainly to irrigate the cotton producing areas of Uzbekistan and Turkmenistan. On the other side, the downstream republics (Uzbekistan, Turkmenistan and Kazakhstan) with limited resources of water favoring the status quo regarding water management. These republics want to ensure maximum use of water for their arable lands.<sup>4</sup>

Central Asian states have been reported to compete and co-ordinate for water and energy resources. But it is essential for the long term progress of the region to make institutional and infrastructural development to make pathway easier for trading and non-energy transport with the surrounding neighbours. Payoff potential with facilitation of trade and transport infrastructure is dramatic, halving the expenses and time to reach from major ports through sea to Central Asia. The United Nations Development Program (UNDP) and Asian Development Bank (ADB) reported that the infrastructure development programs double the GDP of the region. Again, different states compete for economic benefits and want to be the sole transit corridors for the landlocked region.

During the American invasion in Afghanistan, the great powers considered Central Asian region as a conflict zone of the world. While the number of Allied forces reduced in the region. The Russian, Chinese and American turned their attention to the financial potential of Central Asia. This transformation may help to integrate Central Asian Republics with the international world economy, but if it is not done properly, it can lead to destructive competition in the region among China, Russia and the U.S. These forces execute their integration plan for Central Asia, they must seek opportunities to collaborate with each other.<sup>6</sup>

<sup>&</sup>lt;sup>3</sup> Umbreen Javaid, & A. Rashid, Oil and Gas Potentials of Central Asian Republics and Relations with Pakistan. *South Asian Studies*, (2015): 127 – 148.

<sup>&</sup>lt;sup>4</sup> M. Bizhanova, Can the Silk Road Revive Agriculture? Kazakhstan's Challenges in Attaining Economic Diversification. *Central Asia Program*, (2018): 51-66.

<sup>&</sup>lt;sup>5</sup> A. Amighini, Towards a New Geography of Trade?. *China's Belt and Road: a Game Changer*?, (2017): 121-140.

<sup>&</sup>lt;sup>6</sup> Shabir Ahmad Khan, & Saima Ashfaq Kayani, Pipeline Politics In Central Asia: Paradox Of Competitive/ Cooperative Relations Between The United States, Russia And China. *Central Asia Journal*, (2013):57-83.

The modern-day geo-strategic environment of Central Asia is mainly revolving around the idea of integration. The great powers including China, Russia and USA, each have a plan of integration for Central Asia as part of their grand strategies, so that they could rule the geostrategic location of the region and restrict the rivals from having access to this region. There are evidences of competition and cooperation among these major powers. Central Asian states are trying to assure regime security and their own interest by playing the powers off against each other in the region. China has a geographical advantage over the U.S, while China has enjoyed enormous financial and economic leverage compared to the Russia. The China Pakistan Economic Corridor (CPEC) is one of the main projects of Belt and Road Initiative (BRI), which is directly linked to the geostrategic location of Eurasia, as it would effectively and efficiently, integrates the landlocked Central Asia to Arabian Sea.<sup>7</sup>

Military basis, energy pipelines and trade corridors involving different continents are the basic areas where the major powers want to have an influence and control over. The U.S, China and Russia being the world major players are trying to give an orientation to the strategic development of the region that can benefit their own interests. Regional integration is dealt with a grand strategy which emphasis to access markets. However, in order to deny access to rivals, the conflict of interests arises as competing approaches regarding these strategies are planned.<sup>8</sup>

Being the old players in region, the Russians have been enjoying proximity of this geographical region along with their influence and historical correlation to the region. However, after the breakup of former Soviet Union, Russia has been facing economic challenges rendering it somewhat of lesser influence. Russian plan is that through Eurasian Economic Union (EAEU) they will assimilate the whole region. The Russia being old player of the game and enjoy geographic proximity with historical influence and leverage. However after the disintegration of former Soviet Union, Russia faced financial problems and thus the Russian influence decreased in Central Asia.<sup>9</sup>

The Russia's plan is to consolidate Central Asian region through the EAEU. The China enjoying geographic proximity and financial growth as well as best suited for orientation and integration of Central Asia. The main vision of Chinese for empowering its economic status in the region is the BRI. The U.S plan was the New Silk Road initiative for the integration of

<sup>&</sup>lt;sup>7</sup> Shabir Ahmad Khan, Contemporary geostrategic environment of Central Asia: the US, Russian and Chinese plans of integration. *Central Asia*, (2016): 1-22.

<sup>&</sup>lt;sup>8</sup> P. Kurecic, The New Great Game: Rivalry of Geostrategies and Geoeconomies in Central Asia. *Hrvatski Geografski Glasnik*, (2010): 21 – 48.

<sup>&</sup>lt;sup>9</sup> J. Konings, Trade impacts of the Belt and Road Initiative. *Global Economics*, (2018): 1-12.

Central Asia. Therefore, the convergence and divergence of interests both have a price. The great powers have its own operational and declaratory plans. The major powers are in competition for implementing their operational policies. <sup>10</sup> The BRI will play a key role in the development and opening of the region. It is necessary to discuss Russia and U.S integration plans prior to BRI in order to have a clear picture for comparison and conclusions. <sup>11</sup>

### 1.1 USA'S Integration Plan: The New Silk Road Initiative

Central Asia rose as a strategic frontline for America after 9/11, as soon as the military operations had been initiated in Afghanistan. Keeping three main factors i.e. political, economic and security in view, they planned to connect Central Asia and South Asia through Afghanistan. This made Beijing and Moscow to believe that the US has been contended on establishing its impact on Central Asia as compared to its little influence on Afghanistan. Also, American president George Bush asked for freedom agenda reforms in the Middle East, apart from being involved with leadership of Central Asia. Central Asian and American leaders developed tension, when the old regimes were removed in Ukraine, Georgia and Kyrgyzstan, and taken over by the leaders who were pro-west. The Tulip Revolution that toppled Askar Akayev, the President of Kyrgyzstan in 2005, sky-rocketed tensions in the region. 12

The cooperation between America and Central Asia re-surfaced again in 2008 after attack on US logistics southern line series by the Taliban through Pakistan. This was evident from the destruction of trucks, injuring security personnel in the attack of Peshawar logistic terminals by the Taliban in December 2008. So instead of southern supply, the northern supply was made necessary after these attacks. Hence, the opening of NDN (Northern Distribution Network) was brought into effect by Americans with leaders of Central Asia to transport logistics to Afghanistan (Map 1). NDN covered an enormous area of Eurasia, distributing it into three routes. These agreements

<sup>&</sup>lt;sup>10</sup> Shabir Ahmad Khan, Contemporary geostrategic environment of Central Asia: the US, Russian and Chinese plans of integration. *Central Asia*, (2016): 1-22.

<sup>&</sup>lt;sup>11</sup> Andrew Small, *The China-Pakistan Axis: Asia's New Geopolitics.* (Haryana: Penguin Random House India, 2016)

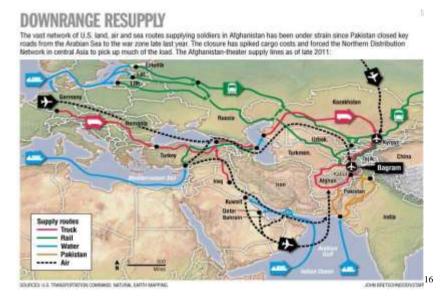
<sup>&</sup>lt;sup>12</sup> K. M. Butt, & M. M Elahi, *Inter-Regional Connectivity: South Asia and Central Asia*. Department of Political Science (pp. 1-310). (Lahore: GC University Lahore, 2016).

<sup>&</sup>lt;sup>13</sup> DAWN. (Peshawar: 2008, December 26). *Nato goods' terminals being shifted to Punjab*. Retrieved May 10, 2018, from https://www.dawn.com/news/971245

only comprised of transport of no return good from Afghanistan to Central Asia and also allowed only non-lethal supplies.<sup>14</sup>

Americans from the NDN route had got the idea of creating strength in commerce and trade across Eurasia. The material increases in capacity by NDN creates higher market demands in the surrounding region can be productive and cost efficient. NDN trend for America was considered as the highest US foreign policy to achieve, which can bring about hopeful solution for strategic problems of Afghanistan and nearby region. This program has been created to enhance the standard of the society by building highways, and making railways and electricity transmission easy. Germany along with America in 2011 conference 'New York Ministerial Conference' discussed issues and strategic programs that were objected to expand the New Silk Road.<sup>15</sup>

Map 1. Showing the Network of US Routes.



The U.S. Secretary of State, Hilary Clinton, declared the commencement of New Silk Road in India, where they declared that the ancient route had to be revitalized.<sup>17</sup> ADB (Asian Development Bank) supported this initiative by

<sup>14</sup> Z. Shiriyev, NATO and the South Caucasus: The Impact of the Northern Distribution Network. *Latvian Institute of International Affairs*, (2013): 135-168.

<sup>&</sup>lt;sup>15</sup> G. Lee, *The New Silk Road and the Northern Distribution Network: A Golden Road to Central Asian Trade Reform?* (New York: Open Society Foundations, 2012).

NDN. (2012, June 5). Afghanistan 101. Retrieved 12 31, 2018, from http://afghanistan101.blogspot.com/2012/06/nato-to-move-war-supplies-through.html

<sup>&</sup>lt;sup>17</sup> T. Maini, The 'New Silk Road': India's Pivotal Role, *Strategic Analysis*, 36(4), (2012): 651-656.

US through CAREC (Central Asian Regional Economic Cooperation) program. Main theme of the program was to assist Afghanistan and link it to the region. Initiative plan's main motto was to integrate South Asia and Central Asia via Afghanistan so that the U.S in Afghanistan can benefit their invasion. 18 The initiation of New Silk Road has been deemed as one of the important routes to make exit strategies for Americans from Afghanistan. The U.S declaratory policy across border of the region has been to develop infrastructure for promoting international trade, giving space for the civil society groups, democratic groups and human rights, which will bring about economic cooperation and development in the region. 19 The civil society groups having the highest support from the state and policies involving the change of regimes has increased the gap between the U.S and Central Asian Republics (CARs). In the Geo-political space of post-Soviet CARs, two blocks have been challenging each other for the natural resources of Central Asia i.e. U.S and European Union (EU) versus Sino-Russian in the form of pipeline politics. Central Asia has been termed as the place of convergence of great powers by Zhao Hua-sheng, but the strategic distrust between the U.S and EU, and Russia and China has heightened the competition.<sup>20</sup>

Initially the U.S. operational policy had been to reduce the dependency of EU over Russian energy and to diversify the energy supply for EU bypassing Russian territory. Therefore, EU is linking with Central Asian and Caspian natural resources, to avoid Russian territory. Also, the U.S. did not back China and Iran for pipeline route and particularly Iran was not part of the New Silk Road initiative. The New Silk Road also have initiated two major projects of the regions that is the TAPI (Turkmenistan—Afghanistan—Pakistan—India) gas pipeline and the CASA - 1000 (Central Asia and South Asia) 1000 electricity transmission projects supported by Asian Development Bank and World Bank. Beside all the strategic steps, the issue of Pakistan and Afghanistan are still lies and the trust level with the U.S has been declined. Further as the program excludes important regional states like China and Iran, while the U.S financial competitors are making

<sup>18</sup> 

<sup>&</sup>lt;sup>18</sup> R. Standish, The United States' Silk Road to Nowhere. *Foreign Policy*. (2014, September 29). Retrieved June 27, 2018, from https://foreignpolicy.com/2014/09/29/the-united-states-silk-road-to-nowhere-2/

<sup>&</sup>lt;sup>19</sup> M. LaruelleThe US Silk Road: geopolitical imaginary or the repackaging of strategic interests? *Eurasian Geography and Economics*, (2015): 360-375.

Y. Kim, & Indeo, F, The new great game in Central Asia post 2014: The US "New Silk Road" strategy and Sino-Russian rivalry. *Communist and Post-Communist Studies*, 46(2), (2013): 275-286. Retrieved September 1, 2018, from https://www.sciencedirect.com/science/article/pii/S0967067X13000147

<sup>&</sup>lt;sup>21</sup> J. Boozman, *The New Silk Road Strategy: Implications For Economic Development In Central Asia.* (Washington: OSCE, 2015)

hurdles in implementing the project in the region. As Afghanistan is the main gateway for both the projects. As the problem remains the same, it seems as now the interest of American President towards the New Silk Road initiative has weaned off, and that's the reason why the U.S is drawing back from Afghanistan. Other than that, the U.S. is losing its power, as it does not have significant direct geographical connection with the region as compare to China and Russia. <sup>22</sup>

In China, the U.S initiative has been perceived with greater suspicion, and that the U.S policies have not been highly supported by the broader region like Beijing. The stalled projects presently in the region are considered as CASA 1000 and TAPI. Similarly, China on the other side sees no benefit in coordinating its efforts with the U.S, as evident from the U.S-India collaboration to limit China. Another concern for China is that U.S. might also discourage the allies from becoming a part of the Chinese led development banks. The scholars believes that the U.S. 'geo-politicizes' New Silk Road initiative to not including main regional countries like China, Russia and Iran.<sup>24</sup>

#### 1.2. Russia's Eurasian Economic Union (EAEU)

As the Cold war ended, the weak economic condition of Central Asian Republics and Russia resulted in declined GDP. The Central Asian republics had undergone privatization and economic reforms. At that time Russia faced transitional issues and financially very weak, to shape or device any effective policy towards the region. Also, the Russians were not expecting the rest of the world's strong ties with Central Asia. Russia started to balance the U.S by formulating different policies after Yeltsin's fantasies of equality was rejected by Washington. So Moscow saw China as the natural option for creating a multipolar world order. Similarly, Putin's first visit to foreign country was that of Central Asia in 2001 and made it as its focus of foreign policy after realizing the western physical presence led by U.S in Central Asia.

Central Asia is considered as backyard and zone of influence by Russia. So, to integrate itself in the region through various bilateral and multilateral projects. Such as 'Union Treaty' signed in 2005 with Uzbekistan, the CU (Custom Union), the CSTO (Collective Security Treaty Organization), the SCO (Shanghai Cooperation Organization) and the EAEU

<sup>23</sup> T. A. Bhat, & M. A. Kaw, Challenges of the New Silk Route Initiative (NSRI) for Afghanistan. *Sadf Working Paper*, (2018): 1-25

<sup>&</sup>lt;sup>22</sup> K. S. Stegen, (2015). Outcomes and strategies in the 'New Great Game': China and the Caspian states emerge as winners. *Journal of Eurasian Studies*, 91-106.

<sup>&</sup>lt;sup>24</sup> Z. Shiriyev, NATO and the South Caucasus: The Impact of the Northern Distribution Network, *Latvian Institute of International Affairs*, (2013): 135-168

<sup>&</sup>lt;sup>25</sup> A. I. Knobel, The Eurasian Economic Union: Development Prospects and Possible Obstacles. *Problems of Economic Transition*, (2017): 335-360

(Eurasian Economic Union). In 2000, the EEC (Eurasian Economic Community) was founded, that comprised of Tajikistan, Kyrgyzstan, Kazakhstan, Belarus and Russia. All these countries were the descendants of Central Asian Economic Cooperation Organization. In 2010, the CU was announced (which was known as close regionalism), SCO in 2001 and in 2002 the CSTO was announced. In 2012, the Eurasian Economic Union was announced; the contemporary Russian integration plan for the region. On 1st January, 2015 the EAEU that included Kyrgyzstan, Kazakhstan, Belarus, Armenia and Russia replaced the Eurasian Economic Community (Map 2). Tajikistan joining the Eurasian economic union has yet to happen.



Map 2. Showing Eurasian Economic Union Region.

(CCIS - Expertise)

Russia has designed the new international architecture, and calling it the macro-blocks or regional integration associations. The current foreign policy of Russia is focusing on Eurasianism and the advent of EAEU is tactically significant for Russia to effectively compete worldwide. As Russia itself considers to be a part of Eurasian civilization. Thus the Eurasian Union is not only economically important, it is also associated to Russia's identity. In the meantime Russia wants to use EAEU as one of the poles in the present world and desires to establish effective bond between Asia and Europe. EAEU scheme is the impression of Russia's prized territorial position; which

<sup>&</sup>lt;sup>26</sup> E. Vinokurov, Eurasian Economic Union: Current state and preliminary results. *Russian Journal of Economics*, (2017): 54-70

is on vast areas of Europe and Asia. Which is mandatory for Russia, to be counted as a major global power. Most importantly, strong position in Central Asia will furnish the economic, political and strategic objectives of Russia in rest of Asia.<sup>27</sup>

Russia is resurgent after 9/11 in Eastern Europe, Middle East, Caspian and Central Asia. Pushing back international world order led by the U.S in different regions, particularly in Central Asia and Middle East. The Russian policy for Central Asia has proved to be multi-dimensional, as it includes efforts to access the energy resources of Central Asia, counter terrorism, works to build up a common economic space for labours, efforts for political stability and protection of ethnic Russians that are residing in Central Asia. Russia strives to develop a role of supremacy over the Central Asia. After the Russian-Georgian war in 2008, President Dmitry Medvedev stressed that Russia wanted to sustain a "privileged influence" in post-Soviet space.<sup>28</sup>

Similarly, the approach taken by the Russian policy to re-assert herself in Central Asia is a result of its interaction with other great powers of the world, like the U.S The Russia aim to secure top position in this newly growing multi-polar world. After 9/11, the Russia joined hands with U.S for empowering its position in Central Asia. However, with both countries having different objectives, the relation between Russia and the U.S turned increasingly competitive. Thus, in comparison to other great powers, the Russian - Central Asian relationship is profound and wide-spread. This relation is based on historical, infrastructural and Russian diaspora in Central Asia e.g., Railway network, ethnic Russians, pipelines and integrated defensive system. The Russian internal security services, intelligence services and defence forces have profoundly cooperated with Central Asian Republics, train them and to make economic ties in the field of industry and energy.<sup>29</sup>

The Russian after 9/11 sought to take over the role of mediator between Central Asian and the U.S, and expected an excellent deal. Although the fact was that it was one-sided. The General staff of Russia was cautious. It was believed by many Russians that the deep interest of the U.S in Central Asia were only for war in Afghanistan. At the initial stage Putin had agreed with it. But then in 2002, when the U.S deteriorated the Anti-

<sup>&</sup>lt;sup>27</sup> G. Mostafa, & M. Mahmood, Eurasian Economic Union: Evolution, challenges and possible future directions. *Journal of Eurasian Studies*, (2018): 163-172

<sup>&</sup>lt;sup>28</sup> A. Konopelko, Eurasian Economic Union: a challenge for EU policy towards Kazakhstan. *Asia Europe Journal*, (2018): 1-17

<sup>&</sup>lt;sup>29</sup> T. V. Kolpakova, & T. Kuchinskaya, China's "new regionalism" as a mechanism to strengthen the influence of china in the global integration processes: an example of eurasian economic union. *International journal of economics and financial issues*, (2015): 109-115

ballistic Missile treaty and withdrew from it, diverting its attention towards deployment of missile defense system in Europe, and the same year, seven new memberships from the Baltic states were included in the NATO. Russia objected to the admission of members from Soviet space into NATO. In 2001, the CIS (commonwealth of independent states) was almost dead at that point. With alarming speed, Putin, the President of Russia directly met with the heads of Central Asian Republics, and established a separate office in the Kremlin to closely inspect the contacts among inter-elites, as well as presented a new policy for handling the security issues of Russia and Central Asia.30

The U.S acted for promoting the regime change, while Russia acted as a protector of status-quo. The subject of 'international terrorism' opened doors for major powers to re-establishing strong relations with Central Asia. However the leadership of Central Asia was unwilling but as for cooperation against terrorism became the main issue for the region such as IMU (Islamic Movement of Uzbekistan) in Kyrgyzstan. The CSTO (Collective Security Treaty Organization) consist of Belarus, Armenia, Russia, Kazakhstan, Tajikistan and Kyrgyzstan. Uzbekistan joined CSTO in 2006 after it fell out from K2 military bases with Washington. Russia in the region has reestablished its military bases.31

Similarly, Moscow struggles in the decades of 2000 visualize the parallel effort of revolving around stable and sustainable economic and energy inroads through UES (Unified Energy System) and Gazprom into Central Asia. Throughout the decade, the trade of Russia with Central Asia in the beginning, the baseline was under 2 billion US dollars, which then in 2008 reach 27 billion US dollars, later on followed by the financial crisis. With the global financial crisis, Russia double its effort of influence over Central Asia through EAEU. The CSTO is modeled on NATO, while the EAEU as model of EU (European Union). Putin has shown interest in building a new "Eurasian Economic Union", similar to the EU.<sup>32</sup>

As for the situation that has been adopted after the dissolution of Soviet Union, Russia has been facing problem in trying to re-gain supremacy over the Central Asia. From early 1990s, the regional countries are having bilateral relations with the great powers of the world as well as with regional powers. Central Asia is known for having numerous options to

 $<sup>^{30}</sup>$  S. Yılmaz, Eurasian Economic Union: a Regional Economic Hegemony Initiative. Journal of Eastern European and Central Asian Research, (2017): 1-15 <sup>31</sup> P. Kurecic, The New Great Game: Rivalry of Geostrategies and Geoeconomies in

Central Asia. Hrvatski Geografski Glasnik, (2010): 21 – 48

<sup>&</sup>lt;sup>32</sup> J. Konings, Trade impacts of the Belt and Road Initiative. *Global Economics*, (2018): 1-12.

develop pipelines as well as binding with multiple partners around the globe. The leadership of Central Asia is playing one power against the other and increasing their advantages. The majority of the Central Asian militaries were again participating in some shape with the U.S towards the end of 2010, in spite of the extending security ties with the SCO and CSTO. In addition, Moscow is also faced with problems like disputes among the Central Asian Republics such as water issue between Kyrgyzstan/Tajikistan and Uzbekistan.<sup>33</sup>

In Central Asia, the Russian leadership faced challenges, the real challenge is China as well as both are strategic partners. In the annual press conference of 2016, President Putin assured his commitment to Beijing. However China is so huge to be omitted. It is likewise a growing Great Power. Where its high pace of development has put a great concern for the U.S not only for Russia. The ideas emerging from Beijing are emphasized on peaceful rise and harmonious world. The Chinese reshaping the globe in a restraint manner is incredible. Such as China in Central Asia has achieved its geo-economic objectives with great clarity.<sup>34</sup>

#### 1.3. China's Belt and Road Initiative (BRI)

In September 2013, Chinese President announced Belt and Road Initiative (BRI). BRI is the materialization of the aim of developing connectivity infrastructure on the basis of open regionalism, to connect and integrate the continental mass of Europe, Africa and Asia. The statistics show BRI project a promising one attracting the interest of more than 68 states of the world, comprising around 4.4 billion people. Which is 70% of the global population and holding 75 % of known energy reserves and generating a total of 55 % of global GNP.

The following six corridors planned to be developed under the BRI include: China-Magnolia-Russia, China Pakistan Economic Corridor (CPEC), New Eurasian land Bridge, China-Central Asia-West Asia, China-Indochina and China-Bangladesh-India- Myanmar. According to the Chinese minister of Foreign Affairs, there are three geo-economics and geo-political objectives of BRI i.e. developing the western interior and the frontier opening up to the world, through the development of connectivity infrastructure enhancing the status of Asia across the globe, forming a community of destiny for China's relationships with the regional states.

M. Fredholm, The Shanghai Cooperation Organization and Eurasian Geopolitics: New Directions, Perspectives, and Challenges. (Copenhagen: NIAS Press. 2013)
 B. S. Sergi, Putin's and Russian-led Eurasian Economic Union: A hybrid half-

economics and half-political "Janus Bifrons". *Journal of Eurasian Studies*, (2018): 1-10 <sup>35</sup> E. Cau, Geopolitical Implications of the Belt and Road Initiative: The Backbone for a New World Order? *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, (2018): 39-106

There are two components of BRI such as Silk Road Economic Belt (SREB) and 21<sup>st</sup> century Maritime Silk Road (MSR) (Map 3). The 21st century MSR is an extension of Eastern ports of China and via South China Sea-Strait of Malacca-Indian Ocean-Persian Gulf and up to Europe via Suez Canal.<sup>36</sup>



Map 3. Showing BRI, SREB, MSR routes.

The SREB is overland connectivity route, connecting China by means of Kashgar through C.A to Europe through two corridor. The Northern Corridor and the Southern Corridor. The Northern Corridor begins from Beijing goes through northern Xinjiang-Kazakhstan-Russia up to Finland and Netherland. The Central Corridor goes to Europe (Paris) passing through its originating point in central Xinjiang via Tashkent-Tehran. The Southern Corridor pass by southern Xinjiang i.e. Kashgar Special Economic Zone (SEZ) crossing through Gwadar and moving onwards to Persian Gulf and

<sup>&</sup>lt;sup>36</sup> A. Korybko, *CPEC and the 21st century convergence of civilizations*, (2017, January 21). Retrieved January 2, 2019, from http://www.cpecinfo.com/news/cpec-and-the-21st-century-convergence-of-civilizations-/MTAzMg==

<sup>&</sup>lt;sup>37</sup> D. Mitra, *To Meet Indian Concerns, China Offers to Re-Name China-Pakistan Economic Corridor*. (New Delhi, India: External Affairs, 2017, May 8). Retrieved December 30, 2018, from https://thewire.in/diplomacy/china-pakistan-india-obor

Europe through maritime routes of communication. The Central and Northern Corridors go through several states while the Southern Corridor which is also known as CPEC includes just a single state i.e. Pakistan. The two parts of BRI fill the infrastructure gap particularly in Asia. The purpose is connecting the markets of Asia, Europe and Africa by overland and sea connectivity routes.<sup>38</sup>

Central Asia will also play crucial role in the project. It is not only important for its energy resources but also for its location because the overland connectivity to the markets of Africa, Asia and Europe. It is also a common perception that BRI is aimed at increasing Chinese influence in Central Asia. BRI will provide excellent opportunities for Chinese manufacturers and companies to access the overseas markets for a wide range of products such as over produced steel electronics, construction material and a host of other consumer goods. As per The Economist 'for Chinese made products' the adventure to Europe via ocean takes around two months whereas the 10800 km journey by trains from Chongqing in South-West China to Duesburg, Germany by means of Kazakhstan-Russia-Poland (10800 km) takes up to 14 days. In this regard, in order to consolidate and materialize the BRI initiative, the SEZs in Xinjiang i.e. Khorgos (China-Kazakh border) and Kashgar (Pak-China border) can play an important role.<sup>39</sup>

China will ensure BRI through Asian infrastructure Investment Bank (AIIB) with \$100 billion, the Silk Road Fund with \$40 billion and the BRICS with \$50 billion. And further funds for these institutions will be raised in the future. There institutes will counter the hegemony of International Monetary Fund (IMF), World Bank (WB), and Asian Development Bank (ADB). The BRI will enhance Chinese influence in Central Asia. Russian also titled to the project. The hurdles that Russia is facing from the U.S and Europe is diverting it to be dependent on the East rather on the West.

It is worth noticing that the developing economies find their interests and converge it with the Chinese interest to get funds for their development. The developing economies are attracted by BRI because the ADB, WB and IMF are exploiting to fund development activities in the developing states. The Silk Road Fund, the BRICS Bank and the AIIB are

<sup>&</sup>lt;sup>38</sup> P. Cai, Understanding China's Belt and Road Initiative. *Lowy Institute for International Policy*, (2017): 1-26

<sup>&</sup>lt;sup>39</sup> J. Sagi, & I. Engelberth, The Belt and Road Initiative – a Way Forward to China's Expansion. *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, (2018): 9-38

<sup>&</sup>lt;sup>40</sup> F. A. Indeo, Comprehensive Strategy to Strengthen China's Relations with Central Asia. *China's Belt And Road: A Game Changer?*, (2017): 35-52

<sup>&</sup>lt;sup>41</sup> S. A. Khan, Contemporary geostrategic environment of Central Asia: the US, Russian and Chinese plans of integration. *Central Asia*, (2016):1-22

the alternative channels having full capacity of funding the mega infrastructural development projects connecting the continent of Europe and Asia. The annual requirement for infrastructure development projects in Asia is \$750 billion until 2020.<sup>42</sup> In addition, the low income countries of Central Asia and Eastern Europe will also become beneficiaries from investment and infrastructural projects.

However, the BRI is not free of challenges. It has some inherent challenges, the most important being the geopolitical challenges. Central Asia historically has remained under the Russian sphere of influence and BRI must keep this reality in mind and does not try to disturb the historical facts. China is mindful of this and has approached Central Asia just for economic activity with no aims of political challenge to Russian influence. At this point, it has embraced Russia as its geo-political and geo-strategic partner in the region. Europe is also observing carefully the Chinese approach towards Eastern and Central Europe. These developments have made it difficult for some Asian countries to take sides between the U.S and China, but then finally have opted for AIIB. 43 There are still concern over Chinese cheaper goods hurting the local economies. However Chinese competitiveness is not a threat at the global level. The apprehensions about Chinese meddling in domestic politics and seizure of raw materials have been voiced too. 44 However, U.K and other American allies joined AIIB in spite of the U.S disappointment.

Furthermore, there is a motivation with regards to BRI on enhancing the living standard of the states in the Eurasian zone of the Silk Road. The Balkan states like Serbia and Montenegro as well as Malaysia have shown great interest in developing infrastructure to take advantage of MSR. The target of MSR is the underperforming economies. It aims at infrastructural development and increased connectivity with underperforming and middle-income states such as Malaysia and Pakistan especially through the building of ports including Kuantan port and Gwadar port. The Global rise of China can be attributed to Chinese wisdom in the economic affairs and its art of diplomacy. Overland Silk Road (OSR) was started by China investing in Pakistan and Central Asia. China has regarded

<sup>&</sup>lt;sup>42</sup> E. Cau, Geopolitical Implications of the Belt and Road Initiative: The Backbone for a New World Order? *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, (2018): 39-106

<sup>&</sup>lt;sup>43</sup> S. Boros, Changing Role of China in the International Politics of the Last 15 Years in Reflection to the US. *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, (2018): 221-246

<sup>&</sup>lt;sup>44</sup> F. A Indeo, Comprehensive Strategy to Strengthen China's Relations with Central Asia. *China's Belt And Road: A Game Changer?*, (2017): 35-52

Pakistan as an old and trusted ally and signed initial projects worth \$46 billion for its economic development. Indeed the single largest economic project by China in any of its friendly state.<sup>45</sup>

Through BRI China is outsourcing manufacturing to its western region where the cost of production and labor is comparatively cheaper. The uplift of marginalized western areas is another concern, along with the purpose of mainstreaming these regions. Moreover the Chinese perception of South Asian, European, Central Asian, Middle East and African markets is another reason for this shift from eastern to western region. The economic rationale is the main driving force behind BRI. It indicates China's achievements and standing in the global political economy. Over the years China has mastered development of low-cost power-plants, highways, ports, railways and telecommunication. It is also an accepted reality that investment and trade is the most ideal approach to achieving trust and winning allies amongst the strategically important states.

Through CPEC, Chinese will enhance and sustain its role in Middle Eastern energy import through Gwadar. If the interests of China are threatened in the Middle East, the South China Sea, the East China Sea, Taiwan or blockade of oil supplies by the United States, Beijing will impose a naval blockades on Japanese and European oil supplies from the port of Gwadar. Such a move may lead to confrontation with the United States Navy, and everything is possible at that time.<sup>47</sup>

In the developing world, China through trade and investment is solving the issues of poor current account deficit, domestic savings and lack of infrastructural development. Most of the states under BRI are either rated below or unrated investment grade. China's ability and investment suits these underdeveloped states. The BRI also helps China meeting the domestic challenges of overcapacity in certain sectors such as building materials, railway equipment, capital and construction. It also provides the outlet for Chinese savings. However, the sheer economic size of China is not in harmony with its voting rights in the global financial institutions i.e. WB, ADB and IMF. Regardless of economic size and economic achievements of China, the U.S led west is unwilling to award the status of market economy to China in the WTO. So, by the end of 2016, China launched a legal action against the U.S led west about its economic status in WTO.

<sup>&</sup>lt;sup>45</sup> M. Adnan, & B. Fatima, China-Pakistan Economic Corridor: A Road to Development and its Challenges. *South Asian Studies*, 31(2), (2016): 609-624

and its Challenges. *South Asian Studies*, 31(2), (2016): 609-624

<sup>46</sup> A. Amighini, Towards a New Geography of Trade?. *China's Belt and Road: a Game Changer*?, (2017, January 21):121-140

<sup>&</sup>lt;sup>47</sup> H. M. Sadiq, *The End of The Great Game*, (Karachi: HMS Books, 2016)

<sup>&</sup>lt;sup>48</sup> J.Hurley, S. Morris, & G. Portelance, Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective. *Center for Global Development*, (2018): 1-38

In 2014. China's nominal GDP share was almost 14% of the world. But its outstanding voting share in the IMF (4%), WB (4.42%) and ADB were only 5.5% respectively. 49 This prearrangement ensures American predominance in the WB. Europeans in the IMF and Japanese in the ADB. The efforts to bring reforms in these institutes are not fruitful despite of China's hold of 30% of global reserves in US dollars, and being the major trading state in the world. 50

China started AIIB in 2016. It will change the international financial Landscape. AIIB is attracting underdeveloped and developing states in the world. Larry Summers, USA former treasury secretary remarked that the setup of AIIB will increase Chinese financial influence and will decrease the financial influence of the U.S across the world.<sup>51</sup> The BRI help China to make advances in key sectors such as telecommunication, power and banking system. As compare to dollar, euro and pound, the Chinese currency (RMB) is also gaining ground in the international market as well as in the international currency basket. Whereas with great accomplishments of the BRI will act like a force multiplier for the raise of RMB in the world. Furthermore, it will positively influence China Special Drawing Rights (SDRs) in the international currency basket.<sup>52</sup>

The Chinese mainland manufacturing rebalancing strategy aims at shifting the focus from economically more well off and eastern coastal regions of China to underdeveloped western provinces in order to exploit cheap labour and land there. The most immediate effect of this inland move of manufacturing is that China has been saved from outsourcing low cost manufacturing and outward migration to other states. Secondly it has a positive lifting effect on the economies of the underprivileged inland provinces; however, the landlocked provinces have an issue of exports over sea route. With BRI and CPEC access to Central Asian markets have helped overcome this problem. The principle profits of the BRI Includes the space and time dimensions as well as the lower logistic costs. When President Obama in 2009 declared Trans Pacific Partnership (TPP) in order to regain

<sup>&</sup>lt;sup>49</sup> G. Stec, China's Belt and Road Initiative is Neither a Strategy, Nor a Vision. It is a Process. . European Institute for Asian Studies, (2018): 1-7

<sup>&</sup>lt;sup>50</sup> H. Lu, & C.Rohr, *China Belt and Road Initiative*, (Cambridge & Santa Monica: RAND Corporation, 2018). <sup>51</sup> P. Cai, Understanding China's Belt and Road Initiative. *Lowy Institute for* 

International Policy, (2017): 1-26

<sup>&</sup>lt;sup>52</sup> J. Hurley, S.Morris, & G. Portelance, Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective. Center for Global Development, (2018): 1-38

global leadership in trade from China, the world saw the development of BRI as a reaction to the American proposed TPP. 53

#### 1.4 Discussion

Russia and China are considered by the United States as their main competitors. Russia viewed the U.S as a strategic opponent and decided to work closely with China in the region against the United States. China is trying to balance India at the regional level and the United States at the global levels. China locally pursues a balance between India and the United States, and the United States has expanded its strategic relationships with India to counter Beijing at the regional and global levels. The new geoeconomics and political alignments and alliances are all for aiming to balance and re-balance the major power in this region. The orientation of the region will determine by the China, Russia and the U.S plans of integration.

The CPEC is a strategic project to circumvent the U.S-led unstable and fragile Afghanistan and to approach the Central Asian Republics. The Pak-China relations improved economic aspects to nuclear and strategic cooperation through CPEC. This program will further tighten the bond between these two states. The inner crescent that is Heartland, are up for grasps through CPEC and BRI. The integration of Central Asia is central in the geo-strategic environment of the region. Any great power that effectively integrates Central Asian Republics with world markets will be on winning positions. The competitive and cooperative structural frameworks of the great powers are the U.S New Silk Road declared in 2011, the Russia's EAEU in 2012, followed by the China's BRI in 2013.

Zbigniew Brzezinski, the former National Security Advisor to the Government of the U.S from 1977 to 1981, put substantial stress on Eurasia's significance on the globe reporting that in order to having hold over Afghanistan and Central Asia is parallel to having hold over Eurasia. Applying Brzezinski's theory, it suggests that invasion of Afghanistan by the US was its strategy to pave a way to Central Asia, from where they could ultimately establish landmass hold over Eurasia. The America however declared its agenda as that of promoting democracy and to eradicate terrorists as well as building economic reforms and human rights in Central Asia, but the operational policy of USA has been to eliminate or drastically reduce Russian influence in the region by promoting non-Iranian, non-Chinese and non-Russian routes for energy pipeline.

The Beijing policy of "Go West" initially solved the issues with CARs through Shanghai Five mechanism later on evolving into SCO (Shanghai Cooperation Organization) to establish good trade and smooth

<sup>53</sup> P. Duarte, China in the Heartland: The Challenges and Opportunities of OBOR for Central Asia. *Central Asia Program*, (2018): 11-20

energy relations with Central Asia. China's relation with Central Asia in regards to energy and trade is precisely dependent on stability of Xinjiang. China during the last decade has replaced Russia as a major trading partner of the region. Security is one of the main issues for China. China in the region with local regimes is making ties for stability and security purposes. However, Russia in the second half of 1990s have shown renewed interests in the region after which it has been setting its objectives accordingly including using this region as a buffer region for Islamic South, to protect Russians ethnic population, beneficial from economic point of view and political stability. Russia, in comparison to China and USA well linked with the region through historical and political arrays. Moscow till date claims historical linkages and traditions with Central Asia, considering it as their backyard and sphere of influence.

The major powers have been playing the tug of war for establishing control over hydrocarbons resources of Caspian region and transportation infrastructure given the strategic importance for Central Asia's geographical location. The competition among great powers for establishing control over Central Asia is multi-faceted. However it seems that Central Asia's integration in this New Great Game is the main theme for the struggle between American' New Silk Road, Eurasian Economic Union and China's BRI.

The U.S. initiative on capital intensive programs seemed less focused, and more so on the technical and regulatory challenges in the region, as building of Custom Training Staff College in Kyrgyzstan and Border Management Staff College in Tajikistan, as part of the projects of New Silk Road initiative. Other projects of the U.S in the region presently are also under the New Silk Road initiative including the reframing of APTTA (Afghanistan Pakistan Transit Trade agreement) and providing agreement in supporting the cross border relationship between Tajikistan, Kyrgyzstan and Afghanistan. The U.S State Department has shown emphasis on reducing time, improving security and in facilitating border crossing in such pattern that brings regional countries into bi-lateral and multi-lateral trade agreements. The U.S. plan of integration for Central Asia has barely materialized. The U.S as having a geostrategic approach rather than geo-economic approach, has faced many hurdles on ground. Michal Romanovski, a Eurasian expert, reported that the U.S New Silk Road initiative is a misfire because it is entirely focused on Afghanistan and poorly financed.

In Central Asia, the security competition is also found between SCO and CSTO. The insecurity remains. Both the organization are also collaborating at secretariat level, but they have not yet accomplished the level of clear labor division as well as other joint programs have also not

been announced at its earliest hour. The Russian observation is that the CSTO led by Russian is more operational and advanced organization. On the other hand, the U.S has no interest in engaging with CSTO either in Afghanistan or Central Asia. In addition, the economic potential of China is adequate to cause alert in Washington and Moscow. The probabilities of misleading and secret rivalry exist between various players. In addition, the worldwide financial crisis constrained others to re-calculate their economic assurances to Central Asia; it opened the path for China to invest in energy fields of Central Asia.

In 2008, the trade between China and Central Asia had exceeded the trade level of Russia. The trade between Central Asia and China is considerably more than the official statistics of Central Asian governments and that is most probably due to regional railway and road transit corridors, the aids and the grants that are independent than the joint programs with Russia. Some experts predict that the EAEU led by Russia is as an attempt to curb the Chinese activity in Central Asia. However, the Russian government never voiced its worries openly. Putin openly endorsed China as strategic partner more than once. Russia accepting the rise of China in Central Asia is an effort to counter the Western influence in the region. Russia fears China newly emerging role in Central Asia and is apprehensive of becoming subordinate to the role of Beijing.

The resurgent Russia in Central Asia is neither post-colonial power nor Soviet Union. Russia is trying to organize Central Asia on the basis of different organizations like CU and CSTO. As per Russia perception the CU will later on transform in to EAEU. Both of these organizations are in competition with EU and NATO regard to their function and outlook. Moscow may have numerous objectives in Central Asia but the main objective is dominating influence over others partners. The relationship of China and the U.S with Russia are vital factors in plan of Russian strategies towards Central Asia. Accordingly, the differences in perceptions increase the great power rivalry in Central Asia.

In Central Asia, the Moscow success is not clear. It is hard to evaluate the influence that Russia wants in Central Asia. With passage of time the Russian perception kept changing in Central Asia, due to other great powers. The Russian quest for influence in Central Asia has not fully succeeded if the Russian and Central Asian relationship is influence by other great power. In addition, the EAEU aspiration is vulnerable due to limited foreign policy options that Central Asians have in the rest of the world. The technical and linguistic legacy in Central Asia from the previous Soviet Union has resulted in strong ties of Russia with Central Asia. The trade between Russian-Central Asian is growing and there are a large number of Central Asians send remittances back home while working in Russia. The traditional influence of Russia is still present in Central Asia.

Although, Central Asia has the potential to become convergence of interest between China and Russia by integrating Belt and Road Initiatives (BRI) and EAEU for a win-win purposes. The strong ties between Russia and China can be perceived as a threat by the U.S led West. The Sino-Russian cooperation will provide stability and can be predicted that it could balance the multipolar world order. The U.S and Russia want a sphere of influence in region because of the natural resources as well as geostrategic location of Central Asia. Russia strongly considers Central Asia as her special sphere of influence, but the U.S openly disagrees with this idea.

However in the context of Central Asia the competition is not found in the relationship of Russia and China. It is clear from Central Asian pipeline politics, when Georgia tries to bypass Russian land to diversify the energy supply of Central Asia towards the west i.e. the BTC (Baku–Tbilisi–Ceyhan) pipeline. In 2008, it was confronted by Russia. Similarly, in Ukraine, the case of Crimea is considered as one of the main outlets for Russian energy towards Europe, was managed brutally by Russia. Then again China has effectively constructed various gas and oil pipelines from Central Asia which are operational but Russia did not retaliated in the same manner. There are three main motives behind Russian and Chinese interaction over Central Asia.

- 1. Russia has worked together with China to counter the U.S in the region; Russia without cooperation from China can't do this.
- 2. Russia is not in position to counter or control China-Central Asia partnership because this partnership is mutually beneficial for both regions.
- 3. The movement of energy resources of Central Asian towards the east will decrease the competitor with Russia for European market.

After the breakup of Soviet Union, the unipolar world has become imbalanced, anarchic and dangerous. A hegemon must respect and protect the other states' sovereignty in a unipolar world. When it isn't the situation in the unipolar world, then the states would be dissatisfied with in the system and they try to replace or challenge the hegemon. It gives birth to Sino-Russian cooperation in the region to counter the U.S moves in Central Asia.

Russia also looks forward to Pakistan's geographical position. The Sino-Russian strategic cooperation assists to integrate Pakistan into Eurasia in a peaceful manner. The multimodal CPEC gives the best chance to connect Eurasia with South Asia. In addition, Russia improves its relations with Pakistan and its links with Taliban will further reinforce its position in the region. This relationship benefited Russia, in the case of southern flank. The Pak-Russian understandings for the development of gas pipeline from Lahore to Karachi and in the sale of hardware are the major advancements

towards Pakistan. Russia is willing to take risks and playing bold on the chessboard of Eurasia.

Pakistan is one of the major states to benefit from China's policy of shift of manufacturing from mainland to inland. China is emphasizing upon the economic development in Pakistan as it serves its own interest. The economic growth of Afghanistan and Pakistan will ensure to open Central Asian and Iranian markets for the Chinese goods and investments as well as to import oil from Iran and other gulf states. Terrorism and extremism are the menace feeding upon underdevelopment. This threat can be dealt with and eradicated as the Chinese economic activity will bring a healthy change in the region torn by violence and extremism and will result in paradigm shift.

However, BRI is mainly focused on Central Asia and it is expected to expand beyond Central Asia in the form of rail-links, ports, oil and gas pipelines. For this purpose, China have signed agreement with various countries in building such infrastructure including Tajikistan, Turkmenistan, Uzbekistan and Kazakhstan with US \$1 billion, 8 billion, 15 and 30 billion, respectively. In the context Of BRI, the new regional and economic order as well as the new world order is part of the whole debate. Earlier initiatives in the history like the EU or the industrial development of Japan also happened in the same manner. In the beginning, there initiatives were perceived as challenges but were ultimately integrated into the world economy. So far, China have not declared or shown any intention of toppling the global economic order. The Chinese BRI seems to be compatible with organization including RCEP (Regional Comprehensive Economic Partnership, FTAAP (Free Trade Area of the Asia pacific), TPP (Trans-Pacific Partnership), WTO and APEC (Asia-Pacific Economic Cooperation).

However, there is a reality in geo-strategic, geo-political and geo-economic rivalry and there are concerns about it. It is a common perception that Beijing is trying to shift 90% of world trade from maritime routes to overland routes. China also aims to maintain a balance between the maritime and overland trade routes. Any imbalance will increase the concerns of maritime trading nations because the U.S and Japan already raised concerns about AIIB which is a challenge to ADB. The rivalry between there institutes is also resulting into geo-political crisis. The geopolitical and geo-strategic aspects of BRI should be handled carefully. It is also important to note that the declining power of the US will lead to her strong alliance with India.

## 2. Conclusion

In a nutshell, Central Asia is facing geo-strategic, geo-economic and geo-political changes because of different integration plans of major powers such as USA, Russia and China. The great powers interest diverge therefore it is delaying the process of integration in the region. Russia is the major

player to establish her traditional influence in the region after the Crimea. Chinese influence is increasing in the region while USA attitude may change with the passage of time because of its partial withdrawal from the region. Russia is the important player in the hard security domain, having close relationship especially under the CSTO. After the Crimea period, Russia accelerated economic and strategic cooperation with China. However the Russian and Chinese interests converge and diverge in Central Asia and it depends upon how they manage their relationship in the region. On ground reality, the New Silk Road Initiative by U.S barely materialized due to the perceptions of regional states about the U.S policies.

As EAEU is by all accounts a sort of close regionalism and CU having protectionist measures in the form of uniform duty against the non-member states. However the CPEC and BRI offer a sort of integration which is based on open regionalism. In such case, the EAEU can only have check on the movement of the Chinese products to various Central Asian Republics. Similarly the EAEU has been planned to manage by supra national institutes such as Court of Eurasian Economic Union and Eurasian Economic Commission. Whereas BRI is based on open regionalism where the projects are the mutual concern of the signatory parties relating to specific sectors or projects. Open regionalism focuses to integrate those markets that have flexible relations and to address the shortcomings of close regionalism. The idea of open regionalism involves outward orientation and no need to surrender sovereignty; at the same time states are free to join other regional organizations. BRI is the combination of both the land and maritime routes.

The main question regarding regional integration is that whether it is geo-economic or geo-political interests that dominate the process when national preferences of regional and extra-regional states are shaped. It means the regional states need priorities. The geo-economic interests of the regional states for a win-win situation. It has been noticed that great powers link their geo-strategic interests to integration plans that can be a kind of spoiling factor as a result of their divergent natures. However the developed cross border infrastructure as a result of these integration plans in Central Asia will increase CAR's bargaining power in international relations. Whether this is BRI or the US New Silk Road initiative or EAEU, the result must be the regional integration and therefore peace promotion and shared growth would be guaranteed.

#### **Bibliography**

- Adnan, M., & Fatima, B. China-Pakistan Economic Corridor: A Road to Development and its Challenges. *South Asian Studies*, *31*(2), 2016.
- Amighini, A. Towards a New Geography of Trade? . *China's Belt and Road:* a *Game Changer*?, 2017
- Bhat, T. A., & Kaw, M. A. Challenges of the New Silk Route Initiative (NSRI) for Afghanistan. *Sadf Working Paper*, 2018.
- Bizhanova, M. (2018). Can the Silk Road Revive Agriculture? Kazakhstan's Challenges in Attaining Economic Diversification . *Central Asia Program*, 2018.
- Boozman, J. The new silk road strategy: implications for economic development in central asia. Washington: osce.
- Boros, S. Changing Role of China in the International Politics of the Last 15 Years in Reflection to the US. Contemporary Chinese Political Economy and Strategic Relations: An International Journal, 2018.
- Butt, K. M., & Elahi, M. M.. Inter-Regional Connectivity: South Asia and Central Asia. *Department of Political Science* (pp. 1-310). Lahore: GC University Lahore, 2016.
- Cai, P. (2017). Understanding China's Belt and Road Initiative. *Lowy Institute for International Policy*, 2017.
- Cau, E. (2018). Geopolitical Implications of the Belt and Road Initiative: The Backbone for a New World Order? *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, 2018.
- CCIS Expertise. (n.d.). Moscow, Russia. Retrieved December 30, 2018, from http://www.ccis-expertise.com/en/eurasian-economic-union-export
- DAWN. (2008, December 26). *PESHAWAR: Nato goods` terminals being shifted to Punjab*. Retrieved May 10, 2018, from https://www.dawn.com/news/971245
- Duarte, P. China in the Heartland: The Challenges and Opportunities of OBOR for Central Asia . *Central Asia Program*, 2018.
- Falkowski, K. Long-Term Comparative Advantages of the Eurasian Economic Union Member States in International Trade. *International Journal of Management and Economics*, 2017.

- Fatima, Q., & Zafar, S. New Great Game: Players, Interests, Strategies and Central Asia. *South Asian Studies*, 2014.
- Fredholm, M. The Shanghai Cooperation Organization and Eurasian Geopolitics: New Directions, Perspectives, and Challenges. Copenhagen: NIAS Press, 2013.
- 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*, 2018.
- Indeo, F. A Comprehensive Strategy To Strengthen China's Relations with Central Asia . *CHINA'S BELT AND ROAD: A GAME CHANGER?*, 2017.
- Ingram, E. (1980). Great Britain's Great Game: An Introduction. *The International History Review*, 1980.
- Javaid, U., & Rashid, A. (2015). Oil and Gas Potentials of Central Asian Republics and Relations with Pakistan. *South Asian Studies*, 2015
- Khan, S. A. Contemporary geostrategic environment of Central Asia: the US, Russian and Chinese plans of integration. *Central Asia*, 2016
- Khan, S. A., & Kayani, S. A. (2013). Pipeline Politics In Central Asia: Paradox Of Competitive/ Cooperative Relations Between The United States, Russia And China. *Central Asia Journal*, 2013.
- Kim, Y., & Indeo, F. The new great game in Central Asia post 2014: The US "New Silk Road" strategy and Sino-Russian rivalry. *Communist and Post-Communist Studies*, 46(2), 2013. Retrieved September 1, 2018, from https://www.sciencedirect.com/science/article/pii/S0967067X13000 147
- Knobel, A. I. The Eurasian Economic Union: Development Prospects and Possible Obstacles. *Problems of Economic Transition*, 2017.
- Kolpakova, T. V., & Kuchinskaya, T. China's "new regionalism" as a mechanism to strengthen the influence of china in the global integration processes: an example of eurasian economic union. *International journal of economics and financial issues*, 2015.

- Konings, J. Trade impacts of the Belt and Road Initiative . *Global Economics*, 2018.
- Konopelko, A. Eurasian Economic Union: a challenge for EU policy towards Kazakhstan. *Asia Europe Journal*, 2018.
- Korybko, A.. CPEC and the 21st century convergence of civilizations. 2017, January 21. Retrieved January 2, 2019, from http://www.cpecinfo.com/news/cpec-and-the-21st-century-convergence-of-civilizations-/MTAzMg==
- Kurecic, P. (2010). The New Great Game: Rivalry of Geostrategies and Geoeconomies in Central Asia . *HRVATSKI GEOGRAFSKI GLASNIK*, 21 48.
- Labban, M. The Struggle for the Heartland: Hybrid Geopolitics in the Transcaspian. *Geopolitics*, 2009.
- Laruelle, M. The US Silk Road: geopolitical imaginary or the repackaging of strategic interests? *Eurasian Geography and Economics*, 360-375.
- Lee, G. The New Silk Road and the Northern Distribution Network: A Golden Road to Central Asian Trade Reform? New York: Open Society Foundations, 2012.
- Lu, H., & Rohr, C. *China Belt and Road Initiative*. Cambridge & Santa Monica: RAND Corporation.
- Maini, T. The 'New Silk Road': India's Pivotal Role. *Strategic Analysis*, 36(4), 2012.
- McBride, J. Building the New Silk Road. *Council on Foreign Relations*. 2015, May 25. Retrieved June 25, 2018, from https://www.cfr.org/backgrounder/building-new-silk-road
- Mitra, D. To Meet Indian Concerns, China Offers to Re-Name China-Pakistan Economic Corridor. New Delhi, India: External Affairs. 2017, May 8. Retrieved December 30, 2018, from https://thewire.in/diplomacy/china-pakistan-india-obor
- Moldicz, I. C. Differing Interpretations of the One Belt and One Road Initiative: The Case of Hungary . *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, 2018

- Mostafa, G., & Mahmood, M. Eurasian Economic Union: Evolution, challenges and possible future directions. *Journal of Eurasian Studies*, 2018
- NDN. (2012, June 5). Afghanistan 101. Retrieved 12 31, 2018, from http://afghanistan101.blogspot.com/2012/06/nato-to-move-war-supplies-through.html
- Sadiq, H. M. (2016). The End of The Great Game. Karachi: HMS Books.
- Sagi, J., & Engelberth, I. (2018). The Belt and Road Initiative a Way Forward to China's Expansion. *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, 9-38.
- Sergi, B. S. (2018). Putin's and Russian-led Eurasian Economic Union: A hybrid half-economics and half-political "Janus Bifrons". *Journal of Eurasian Studies*, 1-10.
- Shiriyev, Z. NATO and the South Caucasus: The Impact of the Northern Distribution Network. *Latvian Institute of International Affairs*, 2013.
- Small, A. *The China-Pakistan Axis: Asia's New Geopolitics*. Haryana: Penguin Random House India, 2015.
- Standish, R.. The United States' Silk Road to Nowhere. *Foreign Policy*. 2014, September 29. Retrieved June 27, 2018, from https://foreignpolicy.com/2014/09/29/the-united-states-silk-road-to-nowhere-2/
- Stec, G.. China's Belt and Road Initiative is Neither a Strategy, Nor a Vision. It is a Process. . *European Institute for Asian Studies*, 1, 2018
- Stegen, K. S. Outcomes and strategies in the 'New Great Game': China and the Caspian states emerge as winners. *Journal of Eurasian Studies*, 2015.
- Vinokurov, E. Eurasian Economic Union: Current state and preliminary results. *Russian Journal of Economics*, 2017
- Yılmaz, S. Eurasian economic union: a regional economic hegemony initiative . *Journal of eastern european and central asian research* , 2017