Central Asia as an area of China’s and Russia’s interests

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Abstract. Over the past decades, Russia and China have been steadily deepening their cooperation. It is seen in many fields: mutual trade agreements, investment and scientific cooperation, ecological and environment solutions to global issues. Russia is actively engaged in the Belt and Road Initiative proposed by China. Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, and Kyrgyzstan are engaged in it as well. Some of them are also members of the Eurasian Economic Union. The paper aimed to identify China’s and Russia’s current interests in these countries, as Central Asia (CA) is the area where Russia’s and China’s interests coincide. Trade relations between the analyzed countries are considered in it. The paper also addresses investment projects under Belt and Road Initiative, which China has been financing in CA countries.

Keywords: Belt and Road Initiative, Russia, China, Central Asia, investment, trade

Introduction

In the vast Eurasian area, Russia and China are the key players. Close economic, cultural, scientific, and technical cooperation between the two countries is a decisive factor for the sustainable development of the entire Eurasian region. Russian-Chinese relations have recently developed over a wide range of areas. Russian and Chinese experts agree that there is a place for further deepening their mutually beneficial cooperation. Bilateral cooperation between Russia and China is mostly carried out within the framework of the Shanghai Cooperation Organization (SCO) as well as between China and Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan. However, since 2013 when Chinese leader proposed Belt and Road Initiative and announced it in Nazarbaev University in Astana, China began to regard Russia and Central Asian countries as the leading players being not only a transport corridor to EU but the recipients of Chinese investment and the market for Chinese goods (Aristova, 2018).

China’s interests in the Central Asia can be characterize as:
– boost trade (desire to enter the local Central Asian (CA) markets and deepen their position);
– boost investment (invest funds in constructing CA infrastructure objects, giving credits);

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– transit through CA to the West under Belt and Road Initiative (active participation in the development of new transcontinental transport corridors through Central Asia);
– access to CA raw materials, especially hydrocarbons. China considers Central Asia as a strategic source of raw materials, as well as a transit corridor to the oil-rich Caspian region and, possibly, even to the Persian Gulf. Investing in CA infrastructure projects is important for China to strengthen its role in world trade.

Silk Road Fund (SRF) and the Asian Infrastructure Investment Bank (AIIB) finances Belt and Road Initiative (BRI). Many experts see AIIB as a competitor to International Finance Corporation, the World Bank, and the Asian Development Bank in East and South Asia. According to the AIIB, the total investment needs for BRI implementation exceed $ 7 trillion. China's large-scale investments are called upon to expand to China-friendly states on the Eurasian continent.

Chinese investments in Central Asia are mainly focused on infrastructure and are not aimed at developing real sectors of their economies. About 90% of Central Asia exports to China are fuel and raw materials. Enormous monetary and financial reserves allow China to buy up CA natural resources aggressively.

Thus, Central Asia, primarily Kazakhstan, Turkmenistan, and Uzbekistan, are of strategic interest to the energy sector in China. Shortly, China will only strengthen cooperation with the countries of the region in order to increase oil and gas production, while simultaneously implementing infrastructure projects for their export.

Nevertheless, Central Asia concerns for a neighbor: there is a growth of nationalist sentiments regarding land ownership, trade competition, lack of transparency in negotiations, lack of visible corporate social responsibility, non-compliance with environmental law, and difficulties in complying with existing standards in terms of hiring local workers.

China usually provides loans in exchange for the right mining by contributing “Predatory assistance” that seizes foreign resources and subjugates partner countries, blocking their role of raw material exporters.

Most of the funds introduced by China in Central Asia never leaves the Chinese system: credit provided by a Chinese bank to the Central Asian government is reinvested in a Chinese company that received a contract that brings Chinese equipment and Chinese labor in Central Asia to fulfill the project.

For Russia, the Central Asian countries are a zone of its national interest. After the collapse of the USSR political, economic, military spheres of these countries were dependent on Russia, counting on its help in various fields. However, with the creation of several international organizations such as SCO, the Eurasian Economic Union (EAEU), Unified Customs Union, the situation has changed. The main challenge for their cooperation in ensuring security in the region, struggle against extremism and international terrorism.

Literature review

The Chinese Belt and Road Initiative is one of the most discussed issues in modern economic society. As geographically Central Asian countries are on China’s route to Europe, these are regarded as one of the main participants of the Ini-
tiative, and they are in the spotlight of China’s interest. Many authors are interested in strengthening China’s role there (Laruelle, 2018). Some of them are trying to identify China’s impact in a particular country (Mogilevskii, 2019). Others are analyzing two primary integrations that affect CA: Russia’s Initiative on creating the Eurasian Economic Union and China’s Belt and Road Initiative (Svetlicinii, 2018; Aristova, 2018). Some papers cover precise China’s infrastructure objects for investment in CA countries. There are more and more discussions about China’s economic expansion into the countries participating in this Initiative, about increasing the debt burden of the countries implementing the infrastructure projects of the Belt and Road Initiative (Goncharenko, 2018; Sarker et al., 2018).

**Methodology**

*Research design.* A conceptual framework is developed for identifying China’s and Russia’s interests in Central Asia, the implication of the One Belt One Road (OBOR) initiative for future global development through an extensive review of the literature. The research is based on the indicators of global economic development. The study mainly focuses on the contest of mutual benefits, challenges context of origin, strategy, opportunities, and challenges of OBOR initiatives based on economic, political, and social aspects.

*Sources of data.* Sources have been extensively used related to Russia’s and China’s trade and investment policies in Central Asian countries, the implication of the OBOR initiative in the region, describing challenges and opportunities for them. The latest information was included for a better comprehension of both countries’ interests in the region.

*Search strategy.* Data has been extensively searched from some renowned databases as Scopus, Google Scholar, Web of Science, Springer using keywords like New Silk Road, The Belt and Road Initiative, One Belt One Road, Russia, China, Central Asia, investment, trade, regional development, global economic development for securing authentic information.

**Results**

*Belt and Road Initiative.* The Belt and Road Initiative, formerly called One Belt One Road, is one of the most controversial issues in both Russia and Central Asia. The scale of the project is unique, involving about 60 countries. BRI is not just the sum of individual projects based on the idea of connecting China with the rest of the world through the new continental and maritime infrastructure. It is instead a new China's paradigm of China's soft power, a new manifestation of its “peaceful” and “multilateral” rise. It is primarily a response to its domestic economic problems: it is a new Chinese reality when it will switch production at a low-cost model (“Made in China”) to the model of production with added value (“Created by China”). Moreover, finally, the BRI is a Chinese response to renewed US attention to the Asia-Pacific region (Laruelle, 2018).

However, not all Central Asian states are involved equally: Kazakhstan is in the foreground, then Tajikistan and Kyrgyzstan. Uzbekistan is less involved. China's cooperation with them is mostly in the energy, raw materials sector. In this field, the closest cooperation has been established with Kazakhstan. Chi-
na's exports to Central Asia – finished products (89–93%) (machinery, equipment, food, goods, extensive consumption) (Aristova, 2018).


BRI put forward China in this region. Under BRI, China strengthens and expands its economic ties with neighbors, promoting goods to Europe, strengthening its western regions (Sin-Jiang Uygur Autonomous Region).

BRI is intended to attract more SCO participants. China needs to decrease the time of transporting its goods to Europe. One of the possible routes is through Kazakhstan, further through the Russian Federation. Currently, Chinese goods (more than 90%) are transported to Western Europe by sea via Suez Canal. Although shipping is much cheaper, it takes a longer time.

The BRI project is useful to all SCO countries by attracting Chinese investment. However, at the same time, the pairing BRI and the EAEU can lead to increased competition between the Russian Federation and China in Central Asia. At present, China's position in Central Asia is strengthening, which disturbs Russia. For the successful development of Russian-Chinese relations, the common interests and tasks should be solved jointly in CA (Aristova, 2018).

The Eurasian Economic Union. The prerequisites for EAEU were an agreement between the Russian Federation and the Republic of Belarus in 1999 and subsequent joining it by the Republic of Kazakhstan, the Kyrgyz Republic, and the Republic of Tajikistan forming together in 2000 the Eurasian Economic Community. This economic integration had been prompted by, among other things, the disastrous impact of the market-oriented economic policies on the post-Soviet economies (Svetlicinii, 2018). After it, the Common Economic Space, which included Russia, Belarus, Kazakhstan, and Ukraine, was created. However, it did not last for long. In 2007 Russian, Belarus, and Kazakhstan created together Customs Union. Furthermore, in 2015, five countries Russia, Belarus, Kazakhstan, the Kyrgyz Republic, and Armenia, created the Eurasian Economic Union. EAEU trade can also be characterized as Russia-centered since the trade amongst other EAEU members remains marginal. For other EAEU members, Russia is the largest trading partner, while China is ranked second (Svetlicinii, 2018). Interestingly enough, the EAEU did not undertake any significant steps towards the development of the internal transport infrastructure, which would facilitate trade flows within the EAEU.

The EAEU has become Russia's most significant political project for Eurasia, especially after the 2014 crisis in Ukraine. When, after Russia annexed Crimea and the beginning of the rebel movement in the Donbas, Ukraine's membership in the EAEU became impossible, the weight of the project shifted towards Central Asia. At that time, China had already offered its vision of regional cooperation within the Silk Road Economic Belt.

Moscow “refined” its concept of regional cooperation by putting forward the concept of Greater Eurasia, which is often called the Greater Eurasian Partnership. Initially developed by the Valdai Club Analyst Group in mid-2016, the concept was almost intentionally vague, with a broadly expressed vision of bilateral
and multilateral cooperation between Russia, China, India, the SCO, and ASEAN with the EAEU as the core. Russia was able to demonstrate its leadership potential by putting forward a vision of regional identity, which included China and its grandiose plans. The initial reaction of Moscow and Beijing to each other's actions was cautious. Chinese and Western observers viewed Russia's plans to strengthen regional integration as an attempt to halt China's economic growth. Russian analysts interpreted the New Silk Road as a response to the EAEU.

Therefore, it is not surprising that there were expectations that Russia and China would clash in the region. The elites of both states understood the possibility of consequences and took deliberate steps to reduce the likelihood of rivalry. In 2014, in a joint communiqué after the summit, both the Silk Road and the EAEU were mentioned. In 2015, Russia and China signed a separate memorandum in which they agreed to “match” their initiatives. In May 2018, China signed a trade agreement with the EAEU, which reduces some non-tariff barriers and simplifies some customs procedures. In addition to this gradual attempt to avoid competition, the differences between the two views on regional cooperation, paradoxically, helped to weaken the Sino-Russian rivalry in the context of a typical confrontation with the West on regional issues.

It is interesting to compare Russia's and China's volume of trade with CA countries. Table 1 provides data that shows that China's overall volume of trade with CA exceeds Russia's one with CA.

<table>
<thead>
<tr>
<th>Trade turnover</th>
<th>Kazakhstan</th>
<th>Uzbekistan</th>
<th>Turkmenistan</th>
<th>Kyrgyzstan</th>
<th>Tajikistan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>17,554,225</td>
<td>4,383,845</td>
<td>444,034</td>
<td>1,470,674</td>
<td>1,023,170</td>
<td>24,875,948</td>
</tr>
<tr>
<td>China</td>
<td>11,657,079</td>
<td>6,266,491</td>
<td>8,436,149</td>
<td>2,003,496</td>
<td>651,230</td>
<td>29,014,445</td>
</tr>
<tr>
<td>Total</td>
<td>29,211,304</td>
<td>10,650,336</td>
<td>8,880,183</td>
<td>3,474,170</td>
<td>1,674,400</td>
<td></td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c398%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1 (access date: 28.10.2019).

Tables 2–6 provides time-series analysis of Russia’s and China’s volume of trade with CA countries within 2016–2018. To sum up we see Russia in mostly dominating in trading with Kazakhstan and Tajikistan. Whereas China is most presented in trade with Uzbekistan, Turkmenistan, Kyrgyzstan.

<table>
<thead>
<tr>
<th>Russia’s and China’s trade with Kazakhstan in 2016–2018 (US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China’s export to Kazakhstan</td>
</tr>
<tr>
<td>Kazakhstan’s export to China</td>
</tr>
<tr>
<td>Russia’s export to Kazakhstan</td>
</tr>
<tr>
<td>Kazakhstan’s export to Russia</td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c398%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1 (access date: 28.10.2019).
This process of implementing regional cooperation creates incentives for cooperation between Russia and China and not rivalry. While China created several railway routes, some of which bypass Russia – through the Trans-Caspian corridor and the corridor through Turkey – most of the trains pass through Russia. Another option would be much less profitable for China and more challenging to put into practice, mainly due to poor infrastructure. Rail links facilitate Sino-Russian cooperation in several ways. Firstly, the functioning of the Customs Union within

Table 3
Russia’s and China’s trade with Uzbekistan in 2016–2018 (US dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China’s export to Uzbekistan</td>
<td>2,007,464</td>
<td>2,749,423</td>
</tr>
<tr>
<td>Uzbekistan’s export to China</td>
<td>1,607,058</td>
<td>1,471,449</td>
</tr>
<tr>
<td>Russia’s export to Uzbekistan</td>
<td>1,964,967</td>
<td>2,618,172</td>
</tr>
<tr>
<td>Uzbekistan’s export to Russia</td>
<td>761,041</td>
<td>1,021,517</td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c860%7c%7cTOTAL%7c%7c%7c2%7c1%7c2%7c2%7c1%7c1%7c1%7c (access date: 28.10.2019).

Table 4
Russia’s and China’s trade with Kyrgyzstan in 2016–2018 (US dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China’s export to Kyrgyzstan</td>
<td>1,464,957</td>
<td>1,500,066</td>
</tr>
<tr>
<td>Kyrgyzstan’s export to China</td>
<td>79,703</td>
<td>97,474</td>
</tr>
<tr>
<td>Russia’s export to Kyrgyzstan</td>
<td>799,822</td>
<td>1,180,545</td>
</tr>
<tr>
<td>Kyrgyzstan’s export to Russia</td>
<td>145,209</td>
<td>262,214</td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c417%7c%7cTOTAL%7c%7c%7c2%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c (access date: 28.10.2019).

Table 5
Russia’s and China’s trade with Turkmenistan in 2016–2018 (US dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China’s export to Turkmenistan</td>
<td>338,479</td>
<td>368,117</td>
</tr>
<tr>
<td>Turkmenistan’s export to China</td>
<td>5,563,295</td>
<td>6,575,126</td>
</tr>
<tr>
<td>Russia’s export to Turkmenistan</td>
<td>570,575</td>
<td>343,177</td>
</tr>
<tr>
<td>Turkmenistan’s export to Russia</td>
<td>331,175</td>
<td>84,399</td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c795%7c%7cTOTAL%7c%7c%7c2%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c (access date: 28.10.2019).

Table 6
Russia’s and China’s trade with Tajikistan in 2016–2018 (US dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China’s export to Tajikistan</td>
<td>841,305</td>
<td>556,182</td>
</tr>
<tr>
<td>Tajikistan’s export to China</td>
<td>44,045</td>
<td>35,381</td>
</tr>
<tr>
<td>Russia’s export to Tajikistan</td>
<td>985,864</td>
<td>903,855</td>
</tr>
<tr>
<td>Tajikistan’s export to Russia</td>
<td>50,603</td>
<td>32,067</td>
</tr>
</tbody>
</table>

Source: made by author on the data from Trademap. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c762%7c%7cTOTAL%7c%7c%7c2%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c (access date: 28.10.2019).
the EAEU and the related lack of borders between the EAEU members provide faster transportation, lower transportation costs, and more straightforward customs procedures. Trains cross only two customs borders: one between China and the EAEU, and the other between the EAEU and the EU. Secondly, the development of railway communication creates lobbying cooperation in Russia with the participation of Russian Railways. The transport corridor through Russia has created a cluster of stakeholders on the Chinese side as well. Finally, dependence on the Russian railway system allows Moscow to use rail transport as an instrument of exerting political pressure on its neighbors. The transit blockade and China’s reluctance to act as an intermediary excluded Ukraine from participation in railway communications between China and the EU.

China and Central Asia. China has common borders with three Central Asian countries: Tajikistan, Kyrgyzstan, and Kazakhstan, and the other two countries, Uzbekistan and Turkmenistan, are relatively close to it. However, when they first gained their independence, none of these states regarded China as a top priority. Turkmenistan and Kazakhstan, which are rich in many natural resources, tried to weaken their dependence on Russia by boosting their trade relations with Western countries. They hoped to find a solvent sales market for their resources, as well as a source of investments, contemporary technology, and political guarantees of preserving their acquired independence.

Nevertheless, they did not receive as much investment as they wanted from Western countries. So when China started to launch its new paradigm, “Go west,” Central Asia began to regard its neighbor as the most interested one. Due to BRI, China is and will undoubtedly remain the largest investor in Central Asia. This is the only country that can mobilize enormous investments for the region, much higher than Western countries and Russia can offer. However, the success of this connection is disputable. In general, it is more difficult to judge the total size and level of influence of Chinese investments in Turkmenistan and Uzbekistan than in Kazakhstan, due to the almost complete absence of opposition, independent media and public organizations in these countries.

In general, it is more difficult to judge the total size and level of influence of Chinese investments in Turkmenistan and Uzbekistan than in Kazakhstan, due to the almost complete absence of opposition, independent media and public organizations in these countries.

Kazakhstan. A close neighbor and significant trading partner of China, Kazakhstan is a leader in Central Asia in attracting Chinese investment. The total investment is more than $70 billion, or 80% of Chinese investment in the region. Kazakhstan is a crucial source of natural resources and one of China's economic priorities in the region (Crude Accountability, 2019).

The presence of China in the oil and gas sector of Kazakhstan is the subject of much debate. Today, China controls up to 30% of oil production in Kazakhstan and receives about 8% of oil exported from the country (Crude Accountability, 2019). China National Petroleum Corporation (CNPC) is one of the largest foreign investors in the oil and gas sector of Kazakhstan. CNPC's activities include some oil and gas projects in various regions of the country, the Kazakhstan – China and Kenkiyak – Atyrau pipelines, as well as the Kazakhstan – China gas pipeline.
For several years, the Kazakhstan government has been talking about the so-called “51 projects”. As part of this project, China plans to transfer some of its production facilities to Kazakhstan (Crude Accountability, 2019).

Kyrgyzstan. Kyrgyzstan has strong ties with the Chinese economy and can become one of the primary beneficiaries of the Chinese Belt and Road Initiative. Since 2012, China has become the largest source of foreign direct investments into the economy of Kyrgyzstan; for 2006–2017, the cumulative gross of Chinese FDI inflow was equal to $2.3 billion. For this period, Chinese FDI constituted 25–50% of total FDI to Kyrgyzstan, which is equivalent to 2–7% of the country’s GDP (Mogilevskii, 2019).

Implementation of some Chinese projects in Kyrgyzstan started before the Chinese leadership had officially announced the BRI in 2013. All projects are considered as direct contributions to the BRI’s goal of improving connectivity and enhancing hard and soft infrastructure to boost economic and human ties in the region of Eurasia and beyond.

The road projects with total costs of $1.13 billion aim to improve connectivity inside Kyrgyzstan in the directions of north-south and east-west. Simultaneously, these projects are parts of the so-called CAREC corridors that have been designed to improve transportation links in Central Asia and connect the region with China, South and West Asia, and Europe. The road Bishkek – Naryn – Torugart is part of the CAREC Corridor 1c, the alternative road North – South is the road connecting Corridors 1 and 3, and the roads Osh – Sarytash – Irkeshtam and Osh – Batken – Isfana are parts of Corridor 2 (Mogilevskii, 2019).

China is also going to build a gas pipeline in southern Kyrgyzstan, which is a part of line D of the Central Asia – China gas pipeline network. Kyrgyzstan would play only a transit role with no technical possibility to receive gas from/supply gas to the pipeline. The Government of Kyrgyzstan will not have a stake in the equity of the pipeline, so the pipeline is considered a Chinese FDI project in Kyrgyzstan. Works on this project in Kyrgyzstan are planned to begin in 2019.

There are 397 Chinese and 170 Kyrgyz-Chinese joint ventures in Kyrgyzstan (Kerimkhanov, 2019).

Turkmenistan. Turkmenistan is in second place after Kazakhstan in terms of China's investments in Central Asia, which are aimed at the exploration, production, and transportation of gas in the country.

Although the total amount of Chinese loans to Turkmenistan is unknown, according to experts, it exceeds $10 billion.

A gas pipeline is also under construction along the route Turkmenistan – Uzbekistan – Tajikistan – Kyrgyzstan – China. According to the contract between CNPC and Turkmengaz, by the end of 2021, Turkmenistan will have to supply 65 billion cubic meters of gas per year to China.

According to the Silk Road Economic Belt strategy, Turkmenistan is a critical transport and transit hub through which China would like to enter the Persian Gulf markets.

Uzbekistan. In Uzbekistan, China primarily develops cooperation in the field of gas transportation and the creation of joint ventures with a large share of intellectual property.
Although the share of hydrocarbon resources from Uzbekistan to China is small (2.4 billion cubic meters in 2014), the country plays a vital role in the transit of gas from Turkmenistan. In addition to the existing gas pipeline through Kazakhstan, it is planned to build a new section with a length of 210 kilometers of the Turkmenistan – Uzbekistan – Tajikistan – Kyrgyzstan – China gas pipeline. In terms of gas transportation, CNPC is not only an importer to China but also a prominent regional and local gas distributor in Central Asia (Hedlund, 2019).

Although Russia may seem to have gained significant momentum in developing its relations with Uzbekistan, it lacks the financial fund volume that China has.

Tajikistan. Tajikistan, more than any other CA state, does not wish to find itself outside the Chinese projects that are part of Xi Jinping’s initiative to create the Silk Road Economic Belt.

Since Russia sent Tajik labor migrants back home in case of its bad economic situation, the number of remittances was reduced by 32% significantly reduced the number of remittances. So only Chinese investments could compensate these losses.

Tajikistan is a resource-poor country, but being an exporter of renewable hydropower resources, Tajikistan is of China’s great interest. As well as being a developed transport corridor to the West, Tajikistan plays a vital role in China’s BRI.

Relation with China also helps Tajikistan to secure social stability in the country. Consuming cheap Chinese goods by sparse Tajik population makes social inequality less noticeable, which is essential for political stability.

Trade relations with China also help Tajik entrepreneurs to launch their business – some shuttle business. They still make a living by delivering Chinese goods from wholesale markets right to the remotest corners of the republic, selling them at their stalls and shops, as well as at bazaars and in the street.

Conclusion

A significant shift in the regional balance of power between Russia and China has been observed since the mid-2000s. At that time, China successfully challenged Russia's monopoly on the transit of natural resources from the region, in particular, crude oil and natural gas. In the 1990s and 2000s, Russia's primary goal in regional energy policy was to prevent the European Union from gaining access to Central Asian oil and gas resources. The monopoly on Turkmen gas transit was of critical importance. It allowed Russia to receive significant economic benefits from the resale of cheap Central Asian gas at the European market. However, after the global economic crisis of 2008–2009, Beijing became the number one economic partner for the countries of Central Asia.

China's growing investment participants make both Russia and CA countries worried about China's mass presence in the region. China is not only strengthening its position in CA, but also undermining the competitive capabilities of other world forces in the region. After the global economic crisis of 2008–2009, Beijing became the number one economic partner for the countries of Central Asia.

Chinese expansion is also expressed in an increased number of Chinese citizens employed in different spheres of the CA economies: in consumer goods, the implementation of infrastructural projects, and in agriculture, where they are building
farms. After first renting relatively small parcels of land, then they try to rent huger land. The Chinese use toxic chemicals, thus doing irreparable damage to cultivated areas.

Trade relations with China also influence the exchange rate of national currencies in CA countries. If China stops trading for a few days, during holidays, for instance, and, correspondingly, trade flows slow, this immediately affects the local currency rate. So there is the dependence of socioeconomic stability on fruitful relations with their giant neighbor.

If CA countries reduce dependence on China, their dependence on Russia arises. So CA countries should develop their relations with other neighboring countries such as Iran, Pakistan, and the Arab states of the Persian Gulf.

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References

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В последние десятилетия Россия и Китай углубляют свое сотрудничество. Это проявляется во многих областях: в соглашениях о взаимной торговле, инвестиционном и научном сотрудничестве, решении многих глобальных проблем человечества. Россия является активным участником проекта «Один пояс, один путь», инициируемого Китаем. Казахстан, Туркменистан, Узбекистан, Таджикистан и Киргизия также вовлечены в этот проект. Наряду с этим Казахстан и Киргизия являются членами Евразийского экономического союза. Целью статьи является выявление текущих интересов Китая и России в Центральной Азии. Рассматриваются торговые отношения между анализируемыми странами, а также инвестиционные проекты в рамках инициативы «Один пояс, один путь», которые Китай финансирует в странах Центральной Азии.

Ключевые слова: проект «Один пояс, один путь», Россия, Китай, Центральная Азия, инвестиции, торговля

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