

# New Great Game: Russian - Chinese Energy dynamics in Central Asia

Shiwani Mamgain

<sup>1</sup> *PHD Student, Centre for Russian and Central Asian Studies,  
School of International Studies, Jawaharlal Nehru University (JNU), New Delhi, India  
Email: mamgain.shiwani@yahoo.com*

## Abstract

Reliable supply of energy is one of the most important necessity for the development of industries and other frameworks of a country. The present study is focusing on the ongoing New Great Game and emerging energy politics in Central Asia with special focus on two giant neighbors of the region i.e. Russia and China. China's growing economic involvement in Central Asia's energy resources and its political influence over Central Asian political leaders are a matter of serious concern to Russian politicians and thinkers. The present paper analyzes increasing role of energy politics mainly oil and gas and the rising competition of neighboring powers in energy sector of Central Asian states which has spurred the New Great Game in this region.

**Index Terms**— New Great Game, Energy, Geopolitics, China.

## I. INTRODUCTION

The disintegration of the former Soviet Union in 1991 and after the collapse of the Berlin wall in 1989 ushered a new era of regional as well as international politics. The breakdown of the former Soviet Union resulted in the emergence of five independent states in Central Asia: *Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan*. The retreat of Russia from Central Asia ended up in creating a power void in the heartland that prompted significant world and regional powers to harness the hydrocarbon resources and exert their influence in the area. Many scholars preferred to call this renewed interest of external powers as the 'New Great Game' to distinguish it from the classical 'Great Game' between British India and Czarist Russia. The present paper is an attempt to examine the conceptual underpinnings of the New Great Game in Central Asia with special focus on Russian and Chinese interests. Here we will discuss the role played by two giant neighbours i.e. China and Russia in the Central Asian

region. The focus will be on the areas of agreements and disagreements between them.

## II. ENERGY RESOURCES IN CENTRAL ASIA

The growing demand for energy in Europe and Asia has led regional and international forces to think about natural resources in Central Asia [1]. Unlike the known oil deposits of Azerbaijan, the large hydrocarbon reserves of Caspian Basin of Central Asian republics remained unexplored during the Soviet era. These states are endowed with huge gifts of nature, but without access to the ocean. Hence, they're landlocked countries. In Central Asia, large resources and abundance of energy have been captured by regional and global powers like China, Russia and the United States. To know the energy politics within the region it is crucial to have a look on energy potentials of Central Asian region. Among all the five Central Asian states three of them are known to possess huge amount of oil and gas reserves i.e. Kazakhstan, Turkmenistan and Uzbekistan whereas other two Central Asian states i.e.

Kyrgyzstan and Tajikistan have water resources.

While Kazakhstan especially known for its large reserves of oil, Coal and Uranium deposits, Turkmenistan & Uzbekistan are known for their huge gas reserves. Kyrgyzstan produces significant amount of hydroelectricity power. Just in case of Oil resources, let's look at Kazakhstan first. Kazakhstan is the emerging energy supplier within the region and has created an example of economic development in entire Eurasia. Kazakhstan is the net energy exporter also [2]. Kazakhstan is a major oil producer and it's 30 billion barrels of oil is second largest in Eurasia after Russia. The oil sector of Kazakhstan accounts 25 percent of GDP and 65 percent of its total exports and 40 percent of its total budget revenue by 2011[3]. It's the second largest oil reserves and production after Russia [4]. It has the twelfth largest deposits of oil within the world and second largest in Eurasia and Europe after Russia [5].

Turkmenistan is also sufficiently rich in oil reserves. Based on the estimates of British Petroleum (2016), Turkmenistan has proven oil reserves of roughly 0.6 thousand million barrels and it has a production capacity of 261 thousand barrels per day [6]. In case of Gas, the natural gas production in Kazakhstan is much more modest. Whereas in case of Turkmenistan it is rich in oil fields and especially gas. Turkmenistan and Uzbekistan are the two leading gas producers in this region. The Turkmenistan Statistics Commission reported 70.6 billion cubic meters of gas in 2017. In case of Uzbekistan it has significant hydrocarbon reserves especially natural gas, and its economy is heavily dependent on the country's energy resources. It accounts for more than 40 percent of the entire Central Asia's natural gas and 20 percent of its oil. It has estimated 600 million barrels of oil [7]. Besides Kazakhstan and Turkmenistan, Uzbekistan has sufficient amount of oil and gas in the region. In case of Kyrgyzstan and Tajikistan, the two water abundant Central Asian Republics, constitutes 80% of the water resources of the region.

### III. NEW GREAT GAME: GEOPOLITICS OF ENERGY

The Central Asian region has been known for its long historical and multilateral rivalries which perpetually saw interventions by many giant powers for centuries. The idea of 'New Great Game' came out from the 19<sup>th</sup> century concept of 'Great Game'. The concept of "Great Game" was first mentioned by 'Arthur Conolly', but was popularized by the writer Rudyard Kipling. It signifies the political rivalry and territorial expansion between Great Britain and Russia. In the 19th century, Britain feared that other European powers might take advantage of the political and territorial decline of Islamic Asia. In addition, the vast territory of the Russian Empire and its ambitions have also attracted the attention of the British, who remain vigilant about the actions of the Russians. However, Since Russia was ruling over huge number of Khanates such as in Central Asian region (Khiva, Bukhara, Kokand) it made Britain worried about losing its most precious possessions, India, to the Russians. The British inevitably believed that the ruling/conquering Afghanistan will be a strategy of Russia before it will occupy India. As a result, Britain announced the first Anglo-Arab war (1839-1842), which was one of the most important conflicts signifying the 'Great Game' [8].

Although the respective 'Great Game' embodied a set of distinct actors and agendas, the organic continuum linking the two cannot be and should not be overlooked. Since the region remains the same i.e. Central Asia which is still the area of debate between many great powers in the present geopolitics. This New Great Game is a varied mix of gaining not only economic exploitation but also strategic and geopolitical advantages. In the 1990s, some used the word 'New Great Game' to describe the rise of geopolitical interests in Central Asia in the context of the region's energy reserves, which were accessible to foreign interests after the collapse of the Soviet Union [9]. In 1997, for example, the New York Times published an article entitled 'the New Great Game', which

stated that Central Asia was another battleground, an old game, and a geopolitical hardship of great powers. The New Great Game shows that the newly independent countries of Central Asia are also more involved in the international relations of their region, because they want to cooperate without risk with the great powers.

The central issue is regarding the other players involved in the New Great Game. How is it different from the previous game? As explained in the previous section, the predominant actors in the last Great Game were Britain and the former Soviet empire. In addition to the power of these two colonies, the power dynamics in the New Great Game have changed. After the disintegration of the former Soviet Union and the collapse of the British Empire, new players emerged. The struggle for power is no longer a two-way street, but a multidimensional conflict. It is important to emphasize the fact each (new) state in Central Asia had own goal and different method to achieve the macroeconomic growth. It would be a mistake to ignore or treat the newly formed Central Asian republics as pawns in a game of global equilibrium [10]. What needs to be considered in equal proportion is the 'intrinsic merits and interest of these nations' [11] hence, the Central Asian nations cannot be treated as 'secondary actors' in the New Great Game [12]. In fact one cannot ignore the non-state actors in making a case for New Great Game. The non-state actors also include the supra-state actors like NATO (North Atlantic Treaty Organization), the United Nations, SCO (Shanghai Cooperation Organization) and EEU (Eurasian Economic Union).

#### **IV. RUSSIA AND CHINA : CONVERGENCES AND DIVERGENCES**

Russia and China are the two prominent actors which redefine the energy politics of central Asian region in the contemporary global politics. Since the New Great game revolves around controlling natural resources of the region the paper is focusing on energy and pipeline politics among these giant powers i.e. Russia and China. Historically Russian route

was the soul passage to transport Central Asian oil and gas to other part of the globe. For example, during Soviet times, the rich Caspian basin region and Central Asia used to be the significant part of Russian zone of interest to fulfill its economic interests. The Atyrau-Samara pipeline was the oldest and the only way to transport oil from the Caspian Sea to Europe. Along with this, the Russian controlled Central Asia Centre (CAC) gas pipeline has cooperated with Kazakhstan, Turkmenistan and Uzbekistan for more than 40 years to transport natural gas to European market [13]. Therefore, it showed a relationship of dependency between Central Asian states and Russia which soon become a concern for Central Asian leaders.

Soon after independence, the newly liberated Central Asian states started looking for an alternative for three reasons: firstly, to reduce their dependence on Russia. Secondly, to achieve their economic interest via new connections and thirdly, to diversify their energy routes from Russia. Here starts the role of China, the game changer, in Central Asia which intensified the New Great Game in the region. The former Soviet Union's Central Asian space soon become an increasingly important area for the realization of Beijing's foreign policy and economic interests. China started collaborating with Central Asian Republics soon after realizing the energy significance of the region for its emerging oil thirst. The Chinese company China National Petroleum Corporation (CNPC) entered Kazakhstan in 1997 and purchased 60.3 percent of the rights to explore and develop oil companies as well as other oil fields. Later on, the partnership resulted into a landmark project i.e. Kazakhstan-China oil pipeline in 1997. Similarly, China made another direct pipeline route which runs through Turkmenistan (188 km), then Uzbekistan (530 km) and then through South Kazakhstan (1333 km) to the west of China.

Therefore, China and Turkmenistan signed the Turkmenistan-China Gas pipeline agreement in 2007 which is commonly known as Central Asia-China Gas pipeline. Beside this China

signed a similar agreement with Uzbekistan in April 2007 to expand its energy network to all the energy rich Central Asian states. Therefore, there are already two main pipelines from Central Asia to China i.e. the Central Asia-China gas pipeline and the Kazakhstan - China oil pipeline which are working. Taking into account China's plan to increase gas imports from Central Asia by 5 times by 2015, the capacity of the Central Asia-China pipeline has increased to 55-60 billion cubic meters per year [14]. These developments like controlling transportation routes, huge economic investments made China to increase its significance in the emerging geopolitics or we can say New Great Game of the Eurasian region. In the contemporary time, the emerging Chinese initiative China's Belt and Road Initiative (BRI) placed Central Asia in a very crucial position. However, this Chinese centric 'New great Game' is quite different from the classical Great Game.

The classical Great Game focused more on territory expansion whereas the New Great Game focused more on energy and security perspectives. The next section will focus upon the most prominent part of the paper i.e. Russia-China relations: convergences and divergences.

## **V. CONVERGENCES**

The strategic plans of China and Russia have changed dramatically since the mid-1990s. The two major powers have gradually eliminated mutual fear and forged a broad multilateral partnership within the Shanghai Cooperation Organization (SCO). On the issue of collective security and energy security, the two countries (China and Russia) firmly oppose the dominant position of the United States in international affairs mainly Central Asia. Therefore, the foremost and most important area of Russian and Chinese nexus comes with the entry of U.S. in Central Asia especially after September 11, 2001. Central Asia has been the center of US foreign policy since the terrorist attacks of September 11, 2001[15]. In the aftermath of the attack, the United States and its allies established bases in Uzbekistan, Kyrgyzstan

and Tajikistan for Taliban and al-Qaeda forces in Afghanistan. The US security services in the region have grown rapidly. But with the weakening of US power in Central Asia, China-Russia integration in the region has been growing hence, this Sino-Russian nexus has replaced the American influence in Central Asia. However, the scope of Sino-Russian strategic cooperation, such as Central Asia, is limited to many factors. The U.S. foreign policy could upset the Sino-Russian-US balance in Central Asia and boost cooperation between the three major powers in the region.

Both Russia and China have blessed the US military presence in Central Asia since 9/11 because they have supported the war on terror but feared that the United States would remain in the region for too long. In August 2005, China and Russia organized their first joint military exercises since the events in Uzbekistan. The exercise, known as the 2005 Peace Mission, was sponsored by the Shanghai Cooperation Organization where the deployment of troops was organized between the two countries to restore order in a third country affected by unrest major ethnic groups. Russian and Chinese officials have said the exercises are aimed at strengthening cooperation between the two countries in the fight against terrorism and extremism. They are not targeting any third country, but many have said that this is another target that has been pointed out to the United States in order to show the closeness between them (Russia and China) [16]. Another matter of concern for U.S. is the Iranian membership in SCO which eventually made U.S. worried about the emerging partnership between Russia and China. Given this situation, US experts are concerned about the possibility of China and Russia equating the United States in Central Asia, especially if it seeks to expand closer ties with Iran which can create serious clashes between major external powers around the region's "New Great Game".

Russia is trying to increase its influence in the post-Soviet space, including the newly emerged and independent Central Asian Republics.

Moscow has tried to integrate these states into a single security organization which it personally controls which keeps the West, especially the United States, out of this organization. It aims to protect Russia's southern borders from vulnerable Islamic extremists, drug trafficking and other threats. Moscow uses its energy policy to build dominance in the region. It strives to dominate the Central Asian gas industry in the development of oil and gas reserves off the coast of the Caspian Sea and plays an important role in controlling hydroelectric generation in the region. Moscow hopes to use Gazprom's "natural gas caliphate" in Central Asia as the basis for the Soviet Union's "natural gas alliance".

The strengthening of Sino-Russian relations between China and Asia stems from common concerns about border security. The Shanghai Cooperation Organization is a product of the 1996 and 1997 Sino-Soviet Frontier Delimitation Agreement and the agreement to reduce the military presence of the two countries in the border area. The agenda is gradually expanding to include a broader concept of local and regional area security. Uzbekistan received observer status in 2000 and officially became a member of the Shanghai Cooperation Organization (SCO) on Thursday, June 2001. Russia and China hope to use the Organization to combat the "three evils" of terrorism, discrimination and extremism [17]. The Shanghai Cooperation Organization has established a regional anti-terrorism agency in Tashkent (Uzbekistan) and a secretariat (SCO) in Beijing. The SCO joint statement focused on issues such as racial conflict, religious extremism, international terrorism, ethnic crime, arms trafficking, drug trafficking and illegal migration. The SCO established staff to address issues of economics and trade, culture, the environment, law enforcement, and diplomacy.

As we discussed, besides their strong bond in Shanghai Cooperation Organization, concerns about the dominance of the United States in Central Asia are particularly significant for China and Russia. None of the countries

opposes US efforts in Afghanistan since it concerns all the three major powers i.e. China, Russia and U.S. The overthrow of the Taliban and the attack on al-Qaeda have significantly reduced the threat to Russia and China in the region. However, both countries oppose the war in Iraq and fear an increase in US troops in Central Asia. Despite Russia's legitimate opposition to US intervention, China is concerned about the strategies used by U.S. i.e. to promote democracy in post-soviet region including Central Asia. This major issue worried both Russia and China and pushed them against U.S. [18]. The pro-democracy series i.e. "Color Revolution" of the former Soviet Union began with the Rose Revolution in Georgia in 2003 and continued with the Orange Revolution in Ukraine in 2004. The uprising in Kyrgyzstan in March 2005 overthrew the Askar Akaev's Army regime. When this progress developed, both Russia and China regarded U.S. support for democratization as a threat in Eurasian region. Russia and China have common interests, especially the desire to limit American influence especially in the promotion of democracy in the region which led to the declaration of US military bases. Despite these common interests, there are several factors that limit this relationship which is well defined in the next section.

## VI. DIVERGENCES

Though Russia and China have common interests, especially the desire to limit American dominance in energy rich Central Asia. In some ways, Russia and China are not true allies, but diverge as well. Russia has expressed concerns about its economic policies in Central Asia, including plans to develop infrastructure closely related to overcoming stagnation in the Far East. Russia fears a new east-west transport route through the Caucasus and Central Asia could hurt its economy, limit growth in eastern Russia and threaten its territorial integrity. According to Russian political leaders, China's growing territory could pose a threat. Thus, Russia has ambitions to create a North-South trade corridor connecting Russia, Iran, India

and Central Asia[19]. Russia believes that China's development in the Pakistani port of Gwadar is at odds with its goals. China's efforts to find energy resources in Central Asia run counter to Russia's goal of establishing an energy monopoly in the region.

China respects Russia's interests in Central Asia, but resists pressure from Russia on powerful states. China does not intend to separate Russia from Central Asia, but hopes to strengthen its position in the region in long term to complement what Russia can manage and control[20]. In addition, the goals of Russia and China in the Shanghai Cooperation Organization are not exactly the same. China seeks Russian participation to increase the credibility of the organization, but Russia may firmly defend its own interests. As far as Russia is concerned, it realizes that it can no longer provide stability to Central Asia, so it seeks China's help. This organization helps Russia to control and restrict China's activities[21], but it also limits Russia by proposing a forum to protect China's security and economic interests in the region. Another major aspect where Sino-Russian clashes can be seen i.e. the energy sphere of Central Asian region.

Russia thought of Central Asia as its 'soft belly' and it would not accept interference of other states on its immediate neighbours[22]. Nevertheless, there are some Eurasian projects promoted by Russia and China i.e. SCO, OBOR and EAEU where different projects manage to co-exist, compete and compliment to each other. Nevertheless, China's grandiose strategy in the form of a giant infrastructure development project envisaged as "One Belt, One Road" or "Belt and Road Initiative", involving the entire ancient world in general and the Eurasian continent in particular, can be seen as a silent rise of China in the post-Cold War era hence, shows a China-dominated New Great Game. From energy resources to raw materials; business transactions with security measures; a global belt (one belt, one road) for more domestic bilateral collaborations, the Central Asia's potential for China is the most significant one.

## VII. CONCLUSION

Lastly, it can be concluded that despite the major convergences between Russia and China in the Central Asian region the competition between both the giant states will continue to grow. Russia being the historical partner of post-soviet states, mainly Central Asia, will always have an upper hand in influencing the energy rich states like Kazakhstan and Turkmenistan to follow its diktats. However, with the huge economic emergence of China in Central Asia, the Chinese presence in Central Asia seems to be totally uncontrollable. This energy related competition and collaborations in the Eurasian region particularly in energy rich Central Asia will shape the New Great Game more in future.

## REFERENCES

1. M. Meher, "Russian-Chinese Energy Dynamics in Central Asia", *World Focus*, Vol. 38, pp- 98, October 2017.
2. A. Cohen, "Kazakhstan: The Road to Independence: Energy Policy and the Birth of a Nation", *Central Asia-Caucasus Analyst*, Vol. 3, pp, 20-30, 2008.
3. S. Cummings, "Understanding Central Asia: Politics and Contested Transformations", London: Routledge.
4. US Energy Information Administration, Kazakhstan, US Information Energy Agency, 2012.
5. British Petroleum, Statistical Review of World Energy, 2012.
6. British Petroleum, Statistical Review of World Energy, 2016.
7. K. Kumari, "Uzbekistan's Energy Policy: Issues and Challenges", *World Focus*, Vol.38, pp-41-46, October 2017.
8. M. Edwards, "The New Great Game and the New Great Gamers: Disciples of Kipling and Mackinder", *Central Asian Survey*, Vol. 22, pp-83-102, 2003.
9. J. Foster, "A Pipeline through a troubled land: Afghanistan, Canada and the New-Great Energy Game", *Foreign Policy Series*, Vol. 3, pp-1-17.

10. P. Duarte, "Central Asia and the Great Games: Different Times, the Same Game", *Strategic Outlook*, Vol. 26.
11. P. Duarte, "Central Asia and the Great Games: Different Times, the Same Game", *Strategic Outlook*, Vol. 26.
12. B. Rumer, "The Gathering Storm in Central Asia", *Orbis*, Vol. 37, pp-89-105.
13. K.E.B. Henriksen, "Kazakhstan's Energy in Foreign Policy: Oil and Gas in the Multi-vector Foreign Policy", Master's Thesis, Oslo: University of Oslo.
14. X. Chen and F. Fazilov, "Re-centering Central Asia: China's New Great Game in the Old Eurasian Heartland", *Palgrave Communications* 4, Article Number-71, 2018.
15. S. Blank. "The Transatlantic Security Agenda: A Conference Report and Analysis", DIANE Publishing, March 2001.
16. E. Wishnick, "China as a Risk Society", The University of California, East-West Center, 2005.
17. B. Gill and M. Oresman, "China's New Journey to the West: China's Emergence in Central Asia and Implications for U.S. Interests", CSIS Reports, August 2003.
18. M.B. Olcott, "Central Asia's Second Chance", Carnegie Endowment for International Peace, July 2005.
19. S. Blank. "The Transatlantic Security Agenda: A Conference Report and Analysis", DIANE Publishing, March 2001.
20. M.B. Olcott, "Central Asia's Second Chance", Carnegie Endowment for International Peace, July 2005.
21. B. Gill and M. Oresman, "China's New Journey to the West: China's Emergence in Central Asia and Implications for U.S. Interests", CSIS Reports, August 2003.
22. M. Meher, "Russian-Chinese Energy Dynamics in Central Asia", *World Focus*, Vol. 38, pp- 98, October 2017.