

POST-COVID-19 CENTRAL ASIA AND THE SINO-AMERICAN GEOPOLITICAL COMPETITION

By Furqan Khan



**FURQAN
KHAN**

Mr. Furqan Khan is a young researcher and student of International Relations at the National Defence University (NDU) in Islamabad, Pakistan. He is the winner of the Best Undergraduate Paper Award at an international conference on climate change conducted by the London School of Economics Middle East Center at the American University of Sharjah, UAE. Mr. Khan is a regular participant in international academic conferences and has authored multiple academic publications including research articles and book chapters. The geopolitics of South and Central Asia, Europe, and the Indo-Pacific region are his primary areas of scholarly interest.

October 19, 2020

COVID-19 is emerging as the geopolitical precursor to an ambitious struggle for influence in Central Asia between China and the United States. This competition, while not new, is finding novel expressions amidst COVID-19 while Central Asian states are faced with the socioeconomic and political challenges posed by the pandemic. The dire economic condition of the region's states makes it even more necessary to attract short-term financial aid and long-term economic opportunities and investment in order for states to survive the pandemic and mitigate its impact. With these challenges in mind, this paper argues that COVID-19 catalyzes existing geopolitical hostilities between China and the United States. In such a geopolitical setting, Washington's influence is declining as a result of a shift in its attention to emerging developments in the Indo-Pacific region, its reductionist approach towards Central Asia, and its domestic approach to handling the pandemic. China, on the other hand, is emerging as an economic savior of Central Asian states. This is because of China's early success in defeating COVID-19 at home and its fostering of an ambitious COVID-centric diplomacy with relatively robust economic potential, as well as its Belt and Road Initiative (BRI). With these factors in mind, China is more likely to retain an advantage on the post-pandemic Central Asian geopolitical chessboard vis-à-vis the United States. Conducting an argumentative analysis of Sino-US geopolitical competition in the region, this paper argues that the impact of COVID-19 will augment China's geopolitical influence in post-pandemic Central Asia with a variety of ambitious long-term economic alternatives.



**CENTRAL ASIA
PROGRAM**

COVID-19 has emerged as the strategic enabler of a shifting power balance in major geopolitical hotspots. It has replenished Central Asian geopolitics with a renewed [Great Game](#) between China and the United States. The region, which is in a vital geostrategic position, is a source of a zero-sum gamble for both great powers, providing both countries with a chessboard on which to play out their geopolitical agendas against one another. This is especially true at a critical juncture in which Central Asian states are fraught with pandemic-related challenges.

Washington is determined to roll back growing Chinese socioeconomic and political influence, while Beijing is looking to formalize and broaden its gains in order to land a decisive blow to the United States' long-held influence in its volatile and strategic backyard. In this scenario, Washington's setbacks in its handling of the pandemic, along with Beijing's assertiveness in its "COVID diplomacy," indicates a shift in the power balance in Central Asia between China and the US.¹ In this geopolitical setting, with reference to the United States and Beijing's handling of the crisis, China is visibly at an advantage in executing major economic projects: hence its influence in post-pandemic Central Asia.² To deal with these geopolitical challenges, in the latest *United States Strategy for Central Asia 2019–2025: Advancing Sovereignty and Economic Prosperity*, Washington emphasized economic development, energy security, stability in Afghanistan, and the use of the C5+1 platform to enable cooperation between the United States and Central Asia. It also provided Central Asia with USD 6.8 million and gave Kazakhstan and Kyrgyzstan [humanitarian assistance](#) to fight COVID-19. China, on the other hand, is also rushing forward to provide technical, medical, and monetary assistance to Central Asian states in order to enhance its geopolitical position vis-à-vis the United States. Its connectivity project, costing roughly USD 1 trillion, i.e., the Belt and Road Initiative (BRI), finds more space in the region amidst the pandemic and offers opportunities for trading and investing as long-term solutions for some of the ongoing issues that affect Central Asian states.

The fragile economic conditions of the region have enabled China to increase its political leverage. China's need for geopolitical leverage is particularly critical during the pandemic given that the Central Asian republics are mostly dependent on Beijing for their [commodity and energy exports](#). With the foregoing considerations in mind, this paper is divided into four parts. Part one will highlight the socioeconomic impact of COVID-19 in Central Asia along with each country's response. Part one will also discuss the economic conditions that have enabled China to compete geopolitically with the United States. Part two will explain the United States' engagement in, and policy towards, Central Asia, especially during the ongoing pandemic, also discussing the declining nature of the United States' influence in the region. The third section will discuss Beijing's response to the United States' influence, as well as its commitment to improving its geopolitical foothold and growing influence in the region. This paper's fourth section will explore the future of geopolitics between the United States and China in post-COVID-19 Central Asia.

¹ *COVID diplomacy* is a term used widely in the context of Chinese COVID-19 assistance provided to a wide number of countries in Asia, Europe, Africa, and even North America. This phenomenon plays a role in countering anti-Chinese sentiments amidst a general perception of China as the origin of the novel coronavirus.

² *Heartland* was a term used by Halford Mackinder in the 20th century to highlight the geopolitical importance of today's Central Asia and parts of Russia as the center of Asia. To Mackinder, controlling the Heartland is the key to controlling the rest of Eurasia.

Central Asia's Economic Challenges: A Strategic Enabler

COVID-19 presents fresh challenges to an already economically struggling Central Asia. This reality can be assessed through the region's response to the pandemic. Regional governments have [concealed data on COVID-19](#) that could otherwise help states overcome the challenges at hand by allowing them to devise appropriate responses. Meanwhile, the economic slow-down, deteriorating sociopolitical situation, and human rights violations provide a conducive environment for geopolitical competition between China and the US in Central Asia.

COVID-19 has seriously damaged Central Asian economies with disruptions in trade, plummeting remittances, reductions in oil and energy exports, and poor wages from the services sector. The excessive reliance on oil and energy exports and low levels of economic diversification are crippling the region's economic health.

According to a [World Bank Report](#), Central Asia's GDP is expected to decline by 5.4 percent by the end of 2020. The decline in oil prices presents yet another challenge for the region, which started even before the pandemic when agreements among major suppliers from the Organization of Petroleum Exporting Countries Plus (OPEC+) in March 2020 began to falter. Reductions in oil prices also lowered prices for other major commodities in Central Asia. [Reportedly](#), the price of base metal declined by 15 percent, while the figures for natural gas and crude oil were 35 percent and a dramatic 65 percent, respectively. Moreover, as part of the 20-percent decline in global remittances, the [World Bank expects](#) a 27.5-percent decline in remittances for Central Asia, with Russia and Kazakhstan being affected in particular because of COVID-19.

Despite the economic pressure households in Central Asia face, regional governments are providing little to keep them self-sufficient in terms of food and socioeconomic security. Kazakhstan and Uzbekistan, because of their middle-income economy, are providing economic stimuli. For instance, Kazakhstan [announced](#) the provision of USD 13.4 billion for citizens to meet their basic needs. Uzbekistan is sufficiently shielded from the adverse economic impacts of COVID-19 because of its diversified economy and relatively high exports. However, the three other regional states are unable to provide this support given their financial instability and deteriorating socioeconomic situation. Economic pressure is felt more acutely in Turkmenistan (where existing structural challenges are growing), Kyrgyzstan, and Tajikistan—all of which are dependent on remittances for 30% of their GDP and are vulnerable to severe economic depression given sharp declines in remittances in the region.

Amidst these challenges, countries in the region have explored multiple options ranging from requesting help from China and the United States to turning to international financial institutions, such as the World Bank, the Asian Development Bank (ADB), the Islamic Development Bank (IDB), and China's Asian Infrastructure Investment Bank (AIIB). The Trump Administration [provided](#) USD 4.3 million by April 1 while offering an additional USD 274 million, especially to Uzbekistan and Kyrgyzstan, to help the region combat COVID-19. However, these are short-term solutions. Supporting Central Asian economies in the long run requires long-term economic initiatives ranging from investments in energy, infrastructure, and non-oil sectors to major economic initiatives such as China's BRI. A deteriorating socioeconomic situation in Central Asia acts as a strategic enabler for greater Chinese influence by offering China an economic ingress.

Washington's Decline and Policies of Survival in Central Asia

The United States has remained an influential player in Central Asia's geopolitics following the disintegration of the USSR in the 1990s. Washington helped the region's governments gain freedom of action vis-à-vis Russia in the post-USSR period and also aided them in preserving their autonomy over their natural resources. The involvement of American companies in the energy sector, especially in Kazakhstan, improved the United States' economic engagement and further complemented its political influence. The 9/11 attacks and the global war on terror transformed this political and economic influence into a strategic bulwark as part of the US' ["ambitious forward strategy"](#) in Central Asia and hence moved the region into its sphere of influence. Daniel Fried, then the US Department of State's Assistant Secretary for European and Eurasian Affairs, in his [statement](#) before the Subcommittee on the Middle East and Central Asia in 2005, defined three major objectives the United States had for the region: "Security, Energy and Regional Economic Cooperation, and Freedom through Reform."

Central Asia has increasingly become ["less hospitable"](#) to the United States' influence. This, in addition to multiple systemic challenges, has been a result of two important regional developments: the first is the peace settlement in Afghanistan and the anticipated gradual draw-down of American forces from Kabul, and the second is growing Chinese economic and political influence that, in turn, has given Central Asian powers a better alternative to American influence. China's involvement has further promoted the region's political empowerment and the fulfillment of its economic needs. The second reason challenges Washington's influence in the region; it brings the United States to the forefront in containing China's growing influence and situates Central Asia as the strategic forward base against Beijing.

Washington's disengagement from the region is the result of its reductionist approach. The US has limited its engagement in Central Asia to using it as a watchtower to keep tabs on the war on terror and insurgency in Afghanistan. The region has remained a core zone for American foreign policy with respect to the war on terror in Afghanistan. Over the past two decades, the United States seems to have distanced itself from major economic initiatives. The United States has further limited its strategic engagement with Afghanistan. However, such a reductionist approach forfeits the growing importance of Central Asia in American geopolitical calculations vis-à-vis global peers such as China.

Given Washington's growing concern with China's influence, Secretary of State Mike Pompeo visited Kazakhstan and Uzbekistan in February 2020. Pompeo visited the region five years after then-Secretary of State John Kerry [stressed](#) "the need for stronger regional coordination and accelerated progress ... [in order to] advance stability and prosperity in the region." With respect to China, Pompeo not only visited persecuted Chinese families in Kazakhstan but also [criticized](#) China's lending practices and economic policies, highlighted its human rights violations, and cautioned against ["Chinese activity"](#) and growing influence in the region. While mentioning the Chinese Communist Party (CCP) as the central threat to wider US strategic interests in the region and beyond, Pompeo [warned](#) that "the Chinese Communist Party presents [a] central threat of our time."

Similarly, in a meeting of C5+1 on June 30, a joint platform was created to discuss the effect of COVID-19; it consisted of five Central Asian countries and the United States. The US Department of State [highlighted](#) proceedings that focused on boosting Central Asia's economic resilience

through building regulatory frameworks for investments in Central Asia and funding from international financial institutions. The meeting also highlighted Central Asia's importance in fostering lasting peace and stability in Afghanistan. This was followed by a [joint statement](#) on July 7 showing the Department of State's commitment to investment and economic cooperation, renewable energy and environment, and security cooperation, particularly in terms of border control, curbing trafficking, and thwarting terrorism and violent extremism.

However, COVID-19 is broadening this gap between the United States and Central Asia. Despite a commitment by Pompeo (namely, his recent engagement with the region in terms of investment, economic development, and humanitarian aid of some USD 6.8 million to fight COVID-19), the United States has fallen short in providing the region with long-term economic stability. The crippling economic conditions of the region's states during COVID-19 necessitate long-term international economic support that the United States is not in a position to provide—and even if it does provide support, it is barely able to compete with the major economic opportunities offered by China in its ambitious BRI, which is likely to see comprehensive regional support in post-COVID Central Asia.

The United States' disengagement in the region is likely to accelerate radicalism, human rights violations by authoritarian regimes, and political instability in light of the region's problems with corruption and poor governance. This, in turn, may provide China with plenty of opportunities to increase its power in the region.

China's Surge and Central Asia's Reception to the BRI

China has scrambled for Central Asia's energy resources to fuel its regional and global ambitions. The Shanghai Cooperation Organization (SCO) and the 2001 China-Russia Friendship Treaty gave China impetus to become a [stakeholder](#) in Central Asia's strategic, economic, and political developments. China considers Central Asia as integral to its 1-trillion (USD) BRI. The region, because of this project, is integral to its global order, as signified by its economic integration through regional connectivity. The importance of this project was stressed by President Xi, who visited Kazakhstan to lay down his vision of the Silk Road Economic Belt (SREB) initiative in Astana in 2013. Given the difficult economic conditions of Central Asian states, Chinese economic initiatives and investments have attracted all the Central Asian republics. We might expect, especially in a post-COVID world, that Central Asia's economic challenges could help China lay the foundation for its [Pax Sinica](#) in Central Asia.³

The nature of China's interest in the region is geoeconomic and geopolitical. The BRI is the masterstroke in forging close economic and political partnerships with the Central Asian republics, which in turn can help Beijing gain a strategic foothold and win influence in the region vis-à-vis Russia and the United States. Furthermore, Beijing intends to neutralize extremism and terrorism in order to maintain political stability and security in China's neighboring Xinjiang. Being the second-largest consumer of energy, China has invested in the energy sector of Central Asia as part of its [SREB strategy in 2010](#) in order to "obtain access to resource potential by participating in the development of oil and gas fields and other natural resources, as well as the import of electro-

³ *Pax Sinica* is a historical term used to refer to the peaceful order led by China in East Asia. In contemporary geopolitics, the term represents China's rising geopolitical influence and its anticipated world order.

energy.” China also sees Central Asia as an [economic alternative](#) enabling an expansion of its trade and investments. This is particularly important given Beijing’s economic challenges apropos of COVID-19, its trade war with the United States, and the economic repercussions of its military confrontation with India in Ladakh.

To achieve its geoeconomic and geopolitical objectives in Central Asia, Beijing has resorted to [“COVID diplomacy”](#): that is, helping affected countries in the region with medical and financial support as well as rebutting global perceptions of China as the perpetrator of the virus. The Chinese embassy’s [immediate reaction to the developing COVID-19 situation](#), along with anti-China theories in Uzbekistan and Kazakhstan, reflects a shift in Chinese diplomatic discourse. This discourse has traditionally remained low-profile, especially on domestic developments in partnering countries. China has also released its [white paper on Fighting Covid-19: China in Action](#), which highlights China’s transparency and containment efforts in fighting the pandemic. In addition to providing expert advice on tackling COVID-19, China has provided Central Asian countries with [medical equipment and technical support](#). In the midst of a global economic slow-down, [Beijing has been able to buy numerous commodities](#), including oil from Kazakhstan and other states in the region. Furthermore, China’s AIIB is emerging as a competitor to the World Bank in providing financial support and investment to regional countries.

For China, the trade war with the United States necessitates access to the European market through its USD 4-trillion BRI, whose backbone, the SREB, crosses through Central Asia. In particular, Kazakhstan is known as the [“Buck of the Belt”](#) whose exports to China (to the tune of USD 6.8 billion) and status as a middle-income economy make it a vital player for China’s position in the region. Therefore, the BRI has the potential to attract more stakeholders in the region for numerous reasons. Arne Elias Corneliusen, a Global Geopolitical Analysis researcher and founder of the Norwegian Risk Consulting International (NCRI), stated at an online [conference at the Institute for War & Peace Reporting](#) that “COVID-19 does not change China’s rationale for the BRI. In fact, COVID-19 will only cement and strengthen China’s willingness to push forward with the BRI in the long term.”

Additionally, America’s challenging COVID-19 situation at home and its obsession with the growing strategic developments in the Indo-Pacific also distance it from Central Asia. This leaves China as the relatively modest alternative for the region to look to for economic recovery and much-needed investment in major Central Asian industries (particularly the energy sector). This trend of leaning towards China was visible even before the COVID-19 crisis. However, COVID-19 is likely to accelerate Central Asia’s economic reliance on Beijing. Hence, post-COVID Central Asia will give China an opportunity to surpass Russia and the United States in its ability to invest in and offer economic opportunities to the region’s states.

The Way Forward

Central Asia’s emergence as the hotspot for Sino-US geopolitical competition is not a new strategic phenomenon: rather, it is historically recurrent and associated with Mackinder’s “Heartland” theory. Mackinder classified the vast region (including Central Asia) in the center of imperial Russia as the key to dominance over the entire Eurasian continent. In his [Democratic Ideals and Reality](#), Mackinder claims that

Who rules Eastern Europe commands the Heartland;
Who rules the Heartland commands the World Island;
Who rules the World Island commands the World.

During the Great Game of the eighteenth century, Central Asia, being part of the Eurasian Heartland, continued in its role as a strategically important center of global competition. Central Asia's strategic importance in terms of connectivity, energy resources, trade markets, and proximity to the great powers makes it a place to be preyed upon by global powers.⁴ China cannot trade this region off in view of its security, political, and economic interests; nor can the United States ignore or reduce Central Asia's importance.

Both powers have sought to adopt strategies to offset the other's influence and to promote their own geopolitical and economic objectives in the region. COVID-19 is the litmus test for the competing strategies employed by both China and the US, and this period will define the future of this geopolitical contest in the post-COVID world. However, for the United States to maintain its influence in the region, it will need to provide [new opportunities](#) in addition to merely challenging Chinese influence in Central Asia.

Although the new political setup seems to consist of protégés of former communist dictators, one should not underestimate the popular demands for liberal reforms in a free market economy, human rights, and democratic governance over authoritarianism. The United States can facilitate these reforms, winning over the hearts and minds of the population in these states to discourage Chinese ingress and augment its geopolitical influence. The United States must apply a capitalistic set of incentives to increase productivity in its political engagement with authoritarian leaders to push for democratic reforms. This will help the United States not only to create an American-like business environment but also to compete with China and Russia's influence, building further security and political partnerships with Central Asian states.

Central Asia's overwhelming economic dependence on China, especially during the COVID-19 pandemic, is equally raising concerns in the region about its widely practiced [debt-trap diplomacy in developing Asian and African countries](#).⁵ Beyond providing substantial aid packages and economic incentives to regional states, the US should also work on providing alternatives to Chinese-led projects such as the BRI. This can be achieved by encouraging public and private investment, especially during COVID-19, from major US aid agencies, including the United States Agency for International Development. American influence can also assist diplomatic efforts in the region and help Central Asian countries understand the pro-authoritarian economic models of China and Russia.

Moreover, the United States can use its military edge to provide Central Asia with the latest military equipment as part of its commitment to securing Central Asia's security, prosperity, and independence. This is especially important at a time when Central Asian states are planning to replace their old Soviet-era military technology in order to face regional threats. Further, the

⁴ *New Great Game* is a term used to describe the geopolitical competition among major regional and global powers for control over natural resources in Central Asia following the Afghan War and the disintegration of the Soviet Union in the 1990s.

⁵ *Debt-trap diplomacy* is used with a negative connotation to describe loans extended in the context of bilateral relations between two countries. In this relationship, the creditor state intends to enlarge the volume of loans to the debtor state and uses this as a tool of coercive diplomacy.

United States should convince regional states that its military presence is not limited to its engagement in Afghanistan but, instead, is part of a commitment to preserve Central Asia's independence from immediate threats, including China's and Russia's quest for dominance.

Central Asian states also need to consider the implications of Chinese investments and China's ambitious BRI project. China's ingress brings not only economic opportunities but also risks associated with long-term pressure on regional economies. Regional countries should investigate the nature of these implications and determine whether the investment is used to genuinely push the region towards economic stability or whether it is part of a [predatory lending](#) approach used to tie down regional powers and exploit their natural resources.⁶ In a nutshell, Washington is not willing to yield to Beijing's influence over Central Asia given its long-term security interests in the region. However, a policy of lip service with no pragmatism will do little to keep China away from its goals of achieving long-term geopolitical influence in Central Asia.

Conclusion

Central Asia's geopolitical importance leaves China and the United States competing for influence in the area. Besides providing short-term assistance to Central Asian countries, China has developed its status as an economic savior for regional states with its long-term commitments in the form of the BRI. Its long-term economic aid has been well-received in Central Asia, where governments are attempting to revive their economies. This revival is not possible without billions of dollars of investment and a continuous flow of exports during and in the immediate aftermath of COVID-19. China is able to provide both forms of economic relief and hence is in a position to enhance its geopolitical influence in post-COVID Central Asia.

Washington's diversion from the region towards the Indo-Pacific ignores the importance of Central Asia in larger geostrategic imperatives vis-à-vis China and Russia. Therefore, Washington's efforts to provide economic and political alternatives to regional states could help revive its declining influence in the region. Dialogue with regional authoritarian governments over socioeconomic reforms, a free market economy, public-private investment, and long-term economic partnerships is now a geopolitical necessity to quell Beijing's fast-growing ingress in the crossroads of Eurasia.

Finally, Central Asia's economic decline and political instability have an added impact on increasing Sino-American geopolitical contests where regional states adopt ambivalent approaches for the purpose of maximizing their own economic, political, and security interests. Central Asian states should concede to Chinese economic assistance and regard it as complementary to their long-standing multi-pronged partnership with the United States; geopolitical shifts between China and the United States during COVID-19 represent a temporary maneuver and not a long-term decline in American influence. Such a dynamic may necessitate cohesive policy-building among Central Asian powers to achieve regional integration. Such complicated dynamics may require Central Asian countries to be more mindful of Sino-American relations and the US and Chinese quests for influence and economic power in the region.

⁶ *Predatory lending* is a financial practice that imposes unfair loan conditions on the borrower in order for the lender to obtain maximum but unfair benefits. In this case, China is known to have used its loans to coerce small states like Sri Lanka and multiple other Asian and African countries.