Recent geopolitical trends IN EURASIA

Edited by: Alexandra Zoltai
Content

An Introduction to the Eurasia Series ......................................................... 6

Preface ........................................................................................................... 8

Geopolitics, Geostrategy and Geoeconomics:

The Geopolitical Dimensions of the Strategic Culture of China
as a Civilization State ...................................................................................... 27

EU and Japan in Central Asia: Engagements in a Geopolitical Context
Via Less Geopolitical Approaches ................................................................. 45

Uzbekistan in a New Role? Mirziyoyev’s Policy of Opening .......................... 63

German Elections and its Possible Impact on Sino-German Relations .......... 83

About the Authors ......................................................................................... 99
An Introduction to the Eurasia Series

There is no doubt that the world order, as we have known it since at least the 1990s, has undergone several significant changes, but none of them seems to be as far-reaching in its consequences as the rise of Asia. The increasing internationalization of the world economy in the 1990s and beyond, the spread of new technologies, and the proliferation of forms of economic integration were not halted by the bursting of the dot.com bubble in 2000-2002, nor by the global financial crisis of 2008 and 2009 and the subsequent eurozone crisis. However, there was a particular dynamic in the globalization process that only later attracted the attention of experts. In the first period of this accelerated globalization period from 1990 to 2002, the advanced, mainly Western countries seemed to be the main beneficiaries of the globalization process, while the rapid development of Asian and other developing countries came to the attention of observers only after the fall of Lehman Brothers. At that time, the term BRIC was already coined by Jim O’Neill, an economist of Goldman Sachs. The acronym stood for developing countries (Brazil, Russia, India, and China) with large populations and rapid growth. Although the term was met with considerable criticism, it rightly pointed to the growing impact of these countries on the global economy.

The growing economic power of these countries, particularly China, Russia, and India, has slowly translated into increasing political influence. Political influence was soon seen in new initiatives by these countries, leading to the emergence of new forms of economic integration (Eurasian Economic Union), multilateral organizations (Asian Infrastructure and Investment Bank) and initiatives (Belt and Road Initiative, Shanghai Cooperation Forum). These are the building blocks of a new Eurasian cooperation framework whose novelty lies in the simple fact that they were not proposed and created by the United States, as was the case with every major multilateral institution after World War II.

As the United States and Western Europe lost their momentum in economic development and Asian powers also took the initiative in some areas of technological development, the United States realized that accelerating globalization does not necessarily serve American interests and containing China and Russia requires not only a slower space of globalization, but even decoupling from China and Russia and creating trade blocs, several independent technological ecosystems.

We are now at a point where political, economic, and technological development on the Eurasian continent will take new patterns and forms, and the analysis of this process requires an interdisciplinary approach. The new book series published by the Eurasia Center serves this general purpose. In order to contribute to the discussion on the rise of Eurasia, the Series put focus on the political, economic, and social aspects of this process in the form of anthologies published in both English and Hungarian.

Editors of the Eurasia Series:
Levente Horváth, Director, Eurasia Center
Csaba Moldicz, Head of Research, Eurasia Center
Present volume is part of the Eurasia Series, of which this is the very first book has been published. The edited work covers a variety of topics, from Eurasia’s geopolitics, geostrategy and geoeconomics to concentrated works focusing on two countries bilateral relations or a single country’s foreign policy. This book is about the recent geopolitical trends in Eurasia, because Eurasia has always been subject to great power rivalries.

In recent decades the world’s geopolitical and economic center has been moving towards to Eurasia. The rise of the Eurasian supercontinent has been increasingly discussed around the world, including in the West especially due to Covid-19. It seems that in this concept Asia will play the leading role in many areas. Most of the economic forecast show that Asia will take back the center stage in the world economy by 2050. The continent, which already accounts for more than half of the global population, may produce 50% of global GDP by the middle of this decade. The 21st century marked the beginning of a new era, and this new era can truly be the century of a joint Europe and Asia, especially in the four key areas of sustainability, technology, finance, and geopolitics. The geopolitics and geoeconomics in the region have many layers, for this reason, the first volume of Eurasia Series focuses on recent geopolitical trends in Eurasia.

The volume contains five chapters on various aspects of Eurasia’s recent geopolitical trends, and the authors of the book come from different institutes with various research fields which ensure that the book offers a comprehensive view of Eurasia, while special emphasis was put on China, Japan, EU, Uzbekistan and Germany.

The volume’s first chapter gives us a reminder of some basic definitions of geopolitics then the author proceeds to the topic of the relationship between geopolitics and geoeconomics, which has been especially noticeable in recent decades. This chapter gives a broad outline of the geopolitical and geoeconomic shifts in the world in the coming decades. The second chapter is about China which has an important role in Asia and the rise of Eurasia. This chapter examine whether the narrative of the Chinese civilization state, combined with the traditions of strategic culture, has resulted in new geopolitical dimensions and demonstrates how the narratives of the developer civilization state and strategic culture pose a source of danger and uncertainty in the transregional context of international relations. The volume’s third chapter has an intention of exploring Japanese and EU engagements in Central Asia and observing the common features shared by Japan and the EU. The fourth chapter leads the reader to Uzbekistan and tend to cover certain domestic political aspects of the Mirziyoyev presidency. The volume’s last chapter, the fifth one is about the German elections held on September 26, 2021, and its possible impact on Sino-German relations including also a special section which deals with the public perception of China in Germany.

We are very grateful for the support of the Magyar Nemzeti Bank (MNB, the central bank of Hungary) and the John von Neumann University, without them this volume would not have been possible.

We hope that this book could be considered as a valuable contribution to understanding on geopolitical trends in Eurasia and Eurasia’s growing importance in our world.

Editor of the book:
Alexandra Zoltai, China researcher, Eurasia Center
Geopolitics, Geostrategy and Geoeconomics: Reflections on the Changing Force Factors in the International System

Csurgai, Gyula

Abstract

Starting the article with a reminder of some basic definitions of geopolitics, the correlation of spatial and temporal components in it and the systematic nature of geopolitics as a science and the foundation of a long-term political strategy, the author proceeds to the topic of the relationship between geopolitics and geoeconomics, which has been especially noticeable in recent decades. The idea is developing that geoeconomics today is an increasingly dynamic and actively driving element in this dyad due to growing technological innovations, increased competition and the subsequent complication of economic strategies of states. Based on well-known examples of the economic and political outcomes of applying models of state capitalism or the liberal economy, in particular, in countries that have undergone a radical breakdown of their former economic systems (Russia is also briefly mentioned in this context), the author comes to the conclusion that it is necessary to form a strategic state, able to develop a sustainable mechanism (including economic intelligence) for the development and implementation of national geoeconomics. In support of the provisions advanced in the article, the author, as an independent expert, gives a broad outline of the geopolitical and geoeconomic shifts in the world in the coming decades.

Keywords

International system, geoeconomic strategy, strategic analysis, economic war, economic security, cultural identity, strategic state, economic intelligence

1 This is the English draft version of the article that was originally published in Russian in the Journal, ЭКОНОМИЧЕСКИЕ СТРАТЕГИИ, «ECONOMIC STRATEGIES», №3, 2020, Moscow.
1. Introduction

For a long period, geopolitical and geoeconomic analysis had been reserved to military institutes, some specialised think-tanks, intelligence services, and high-ranking managers. Today, the word geopolitics is widely used by the media, and also in numerous political and economic spheres. Moreover, geopolitics is taught at civilian universities in a considerable number of countries. Geoeconomics is less well-known than geopolitics. The introduction of the term geoeconomics to a large public was mainly attributed to the US expert on strategy, Edward Luttwak, who argued at the end of the Cold War that ideological rivalries between Western liberal and communist collectivist models of societies would be replaced by a worldwide economic rivalry in which trade, finance, and the mastering of important technologies often prevail over military power (Luttwak, 1990). Indeed, relations between states in the post-Cold War period have been shaped by an increased economic competition including Non-Market factors such as intelligence sharing between state agencies and private businesses, successful economic diplomacy and different techniques to influence and manipulate non-governmental organisations to weaken an economic adversary, among other things. The considerable influence of these Non-Market factors illustrates the limits of the liberal economic theories that emphasise the dominant role of market forces and the rather limited role of the state in economics. Moreover, the 2008 financial crisis, the increasing use of financial means by China to gain geopolitical influences worldwide, the Russian strategy to use energy as an instrument in foreign policy, the use of extraterritorial jurisdiction by the United States as a tool of economic warfare, the state-capitalist models of economic development and the growing competition for scarce resources necessitate re-considering the role of the state in economic security and development. The main objectives of this article are the following: to examine the links between geopolitics and geoeconomics in the context of the growing importance of various economic means that are used as strategic instruments in contemporary power rivalries and to discuss the role of the state in the organization of a national geoeconomic disposition. Some historical perspectives on the role of economic factors in power rivalries are integrated as well.

2. Geopolitics and Geoeconomics

Contemporary international relations have been characterised by a great complexity due to the increasing role of non-state actors, resource competition, identity conflicts, disinformation, geostategic rivalries, tensions caused by contradictory effects of globalisation and a global power shift. To deal with this difficulty, the geopolitical method of analysis can be a useful tool, since it takes into account the strategic, historical, geographical, cultural and economic spheres in deciphering the complexity of current and potential future conflicts. The geopolitical approach is not only interdisciplinary, but it integrates multiple causes and dimensions of conflicts. The logic of the geopolitical analysis method is multidimensional and based on the systemic approach: it seeks to identify the interactions between the different enduring factors and variables on the internal and external levels of states in a time and space dimension. The notion of space refers to geography while the concept of time denotes retrospective and prospective methodologies. Geopolitical reasoning takes into consideration the geographical dimension that should be considered not only in its physical sense, but in terms of demographic, cultural and economic aspects as well. Furthermore, the external and internal factors related to the geopolitical situation in question need to be taken into account. These factors can be divided into constant, enduring and variable. Constant factors refer to some physical geographic factors such as location, enduring factors refer to cultural identity such as language or religion (Jean, 2003, p. 93), and variable factors are those that change on both the internal level (inside of state borders) and external levels ( interstate and global level). These variable components refer to demography, socio-political structure, alliance configuration, strategic motivation, economic interest, and technological factors, among others. Retrospective is the historical dimension that a geopolitical approach integrates with other enduring factors and variables in order to make an assessment of a given situation at present. The historical factors play an important role in the comprehension of a given geopolitical situation. The roots of power rivalries at present are very often to be found in the past. Prospective approach, also termed strategic foresight, is the projection of this current situation into the future. It is rather impossible to precisely tell what shall happen in the future; however, different scenarios can be elaborated on as regards the possible impending evolutions of a given geopolitical situation. The objective of the strategic foresight in geopolitical analysis is to anticipate different situations that may occur in order to help decision making processes on different levels, ranging from political, economic, and diplomatic to military. In conclusion, the geopolitical method can be defined as the systemic analysis of the interactions between socio-political situations and their territorial dimensions, taking into consideration the historic, geographic, strategic, political, identity, demographic and economic factors related to these situations, at both the internal and external levels of states. (A book on the geopolitical analysis approach to the study of international relations, was recently published by the author of this article) (Csurgai, 2019).

The practical application of geopolitics is geostrategy, that is, the strategic management of geopolitical interests which can also be defined as the strategies of actors designed to achieve their geopolitical objectives. Strategy in general is concerned with the relationships between ends and means, that is, between the results that an actor seeks and the resources at its disposal. Strategy also refers to a plan of action designed to achieve a particular goal, or goals. Furthermore,
strategy can be defined as the combination of all means that a human entity disposes to achieve its defined objective, or objectives. Means refers to the different instruments of power, including military, economic, or cultural, among others, that can be used to achieve an objective or several objectives. Although the classical perception on strategy has been state-centric and mainly concerned with the military aspect of the term, it can be stated that both state and non-state entities can use different strategies and apply both military and non-military means to achieve their aims.

According to a considerable number of experts, the use of the concept of geostrategy has been most often reserved for the military aspects of geopolitics: the use of spatial dimensions in the logic of armed conflict; and, the application of geographic reasoning in the conduct of war (Claval, 1994) and in the organisation of the disposition of national defence (Foucher, 1991). As mentioned above, the concept of strategy does not only concern the military sphere. Furthermore, all strategies—military or non-military—have spatial dimensions, and therefore, geostrategic relevance (Gray, 1999, p. 161).

As the US-led interventions in Iraq and Afghanistan have illustrated, military confrontation and direct control of a given geographic area by armed forces are often perceived as less advantageous than the use of non-military strategies in order to achieve the different geopolitical objectives of states. The growth of Chinese investments in resource-rich Africa, and the German economic strategy in Central Europe (which is a traditional sphere of influence of Germany), illustrate, among other examples, the growing importance of utilising economic means to achieve geopolitical ends. Consequently, the use of these economic instruments to achieve various geopolitical objectives evidences the links between geoeconomics and geo-strategy (Blackwill et al., 2016, p. 20).

The term geoeconomics is explained by Edward Luttwak in 1990:

‘Everyone, it appears, now agrees that the methods of commerce are displacing military methods—with disposable capital in lieu of firepower, civilian innovation in lieu of military-technical advancement, and market penetration in lieu of garrisons and bases. States, as spatial entities structured to jealously delimit their own territories, will not disappear but reorient themselves toward geoeconomics in order to compensate for their decaying geopolitical roles. . . . Geoeconomics is the best term I can think of to describe the admixture of the logic of conflict with the methods of commerce.’ (Luttwak, 1990).

French scholar, Pascal Lorot, director of the French Review Géoéconomie, defines geoeconomics:

‘as the analysis of economic strategies—notably commercial—, decided upon by states in a political setting aiming to protect their own economies or certain well-identified sectors of it, to help their national enterprises acquire technology or to capture certain segments of the world market relative to production or commercialization of a product. The possession or control of such a share confers to the entity—state or national enterprise—an element of power and international influence and helps to reinforce its economic and social potential.’ (Lorot, 1999, p. 15).

Going beyond Luttwak’s and Lorot’s interpretations, geoeconomics can be understood as well as the economic power projections driving foreign policy outcomes. Such outcomes are not necessarily related to only the economic sphere. Indeed, geoeconomics can refer to the use of economic instruments to promote and defend national interests and achieve specific geopolitical goals (Blackwill et al., 2016, p. 20). States can often implement a geoeconomic strategy that simultaneously advances multiple interests: geopolitical, diplomatic, political, and economic. The strategy of China towards Taiwan is rather interesting from a geoeconomic perspective and illustrates well how economic means can be used to achieve geopolitical objectives. In June 2010, an Economic Cooperation Framework Agreement (ECFA) was signed between China and Taiwan in order to liberalise important aspects of ‘Cross-Strait’ economic relations. Subsequently, China became Taiwan’s largest trading partner, with a cross-strait trade volume totalling around USD 150 billion in 2018 (Bureau of Trade Statistics of Taiwan, Directorate General of Customs Administration, Ministry of Finance, n.d.). As a result, China has become Taiwan’s largest export market and the most important market for Taiwanese investments as well. Furthermore, about 4 million Chinese tourists visit Taiwan each year. Parallel to this growing economic interdependence between China and Taiwan, Beijing uses its geoeconomic influence to isolate Taiwan on a diplomatic level by providing aid, economic advantages and investments to countries that cut their diplomatic relations with Taiwan. Through such strategies, Beijing seeks to corner Taipei into political integration with the Chinese mainland. In Fall 2019 China offered economic aid and financial assistance to the Solomon Islands, a South Pacific archipelago, which influenced the decision of this small but strategically located state to end its diplomatic relations with Taiwan and establish diplomatic relations with China. Since 2016 the following countries opted for the switch of their diplomatic relations in the same way: Burkina Faso, the Dominican Republic, Sao Tome and Principe, Panama and El Salvador.

3. Economic Factors and Power Rivalries: From the Past to Present

Although the concept of geoeconomics started to be disseminated to a larger public from the end the Cold War, the interrelations between state power, economy and international trade had been taken into consideration throughout history. Controlling trade routes, gaining access to natural resources and conquering markets have been important factors in international economic relations. Venice
became gradually a powerful geo-economic actor from the 11th century. In spite of its small geographic configuration, this city state became a considerable trading power thanks to its strategy of alliance building combined with an efficient diplomacy, the mastering of advanced technologies in ship building, the use of economic espionage, and a well-developed financial sector, among others.

Mercantilism, closely associated with the rise of the nation state in Europe during the period spanning from the 15th to the 18th century, advocated state intervention in the economy for the sake of the security of that state. Protectionist trade and monetary policies were used to achieve trade surpluses that increased the wealth and power of the state. The German economist, Friedrich List (1846-1789), advocated economic nationalism to support state policies to help industrialization, and in general, to build domestic economic power in order to gain security and independence (List, 2013). List considered that the choice between an interventionist and a liberal economic policy is a strategic question dependent on the particular situation of a nation, its economic development, and political power (Bolsinger, 2004).

In peace and in war, economic warfare has been applied against countries in order to weaken them economically and thereby reduce their political and military power and/or to influence a given state to change its behaviour. Some instruments of economic warfare are trade embargoes, boycotts, sanctions, tariff discrimination, freezing of capital assets, suspension of aid, prohibition of investment and other capital flows, expropriation, and blocking of access to natural resources. Economic rivalries have often resulted in geopolitical competition and led to different types of conflicts, including military ones. In both the first and second world wars, economic warfare played a key role in weakening military adversaries. For example, before Japan’s attack on Pearl Harbour, a US financial embargo had been implemented against Tokyo, in tandem with an oil embargo, in the immediate aftermath of the Japanese Empire’s invasion of Southern Indochina in July 1941 (Miller, 2007).

The so-called ‘Democratic Peace’ theory is one of the important constituents of the liberal paradigm to study international relations (Mello, 2017). This theory states that the form of domestic politics within democracies makes state mobilization for war difficult, and leads to the empirical observation that democracies have not fought a war with each other (Elman, 2001). Although pre-World War One Germany, Great Britain, France and the United States could not be considered as full-fledged democracies by contemporary standards, these states were more or less based on a parliamentary system and were not dictatorships. These countries had intensive commercial ties with each other. Nonetheless, France, Great Britain, and the United States considered the rapid rise of German economic and military power as a major challenge. It is not the type of political regime but the perceptions of the changing balance of power by Great Britain, France and the US, due to the increasing international influence of Germany that influenced the transition from peace to war. Thenceforth, World War One broke out, in which Great Britain, France, and the United States had the objective of considerably reducing the power potential of Germany. This objective of the main victorious powers manifested itself as well by the imposition of the humiliating conditions of the Versailles Treaty on Germany after the end of that war. There is a limitation of the democratic peace theory to explain wars between contemporary democracies that are fought by non-military means for geo-economic supremacy. In fact, geo-economics can be considered as war by other means than the military ones, as Robert D. Blackwill and Jennifer M. Harris argue (Blackwill et al., 2016).

During the Cold War, there were some tensions related to diverging economic interests within the US led western bloc. However, the necessity to maintain the cohesion of the Western alliance vis-à-vis the Soviet bloc resulted in a situation in which these tensions were not supposed to challenge the unity of the West. Economic means were considered as an effective instrument to weaken the Communist bloc; this was illustrated by the US strategy in the 1980s that included the following among others: a) The implementation of the Strategic Defence Initiative (SDI) to use ground and space-based systems to protect the United States from attack by strategic nuclear ballistic missiles. The USSR could not cope with this initiative in the context of the logic of the Cold War arms race. b) In 1983, the US administration approved the National Security Decision Directive 75, which resulted in the implementation of a strict regime of sanctions to limit the foreign policy and military options of the Soviets. c) The US exercised its influence on Saudi Arabia in 1985 to drastically increase oil production to cause a sharp drop in oil prices that, in turn, impacted considerably Soviet revenues from oil exports that accounted for a significant part of Soviet hard-currency earnings.

After the end of the Cold War, the disintegration of the communist bloc resulted in the erosion of the cohesion of the US led western bloc. At present, western democracies occasionally wage economic wars on each other. Similarly, political and military alliances can engage in fierce geo-economic battles to conquer markets, control technologies, and maintain financial and monetary domination, as well as other matters. The nature of ‘Ally Adversary’ relations is manifested in Trans-Atlantic relations. Although European NATO member states are in a military alliance with the United States, commercial rivalries are part of the EU-US relations, such as the mutual accusations in the World Trade Organization related to subsidies given to Boeing and Airbus. A stronger example is the use of the ECHELON electronic surveillance system, managed by the United States in collaboration with other English-speaking Western countries, and PRISM, a clandestine surveillance program under which the United States National Security Agency (NSA) collects data of internet and phone communications. The information collected through ECHELON and PRISM and given to economic actors can be used to promote the economic interests of the US (Gaiser, 2016, pp. 177-186), illustrating the role of the state apparatus in, ostensibly, intra-firm competition.
4. The Contemporary Global Power Shift

The current international system is characterised by a transition from a US-led Western hegemonic system to a multipolar system. The relative economic and political power is shifting away from the Euro-Atlantic zone most notably to Asia, but also to other world regions. This global power shift is due to the rapid rise of China in the first place, and secondly to the strong economic growth of India and Southeast Asia in the last few decades. The AsiaPacific zone has become the centre of gravity of global geopolitics and geoeconomics. The current global power shift is mainly economic. The US remains the most important military power with the highest military spending in the world, reaching USD 649 billion in 2018 (Sipri, 2019). The US military budget has remained by far the largest in the world almost as much in 2018 as the next eight largest-spending countries combined. China, the second-largest spender in the world had its military expenditure at a level of USD 250 billion in 2018. (Sipri, n.d.). The US maintains nearly 800 military bases in more than 70 countries and territories abroad from giant bases to small radar facilities. Britain, France and Russia, by contrast, have about 30 foreign bases combined.

Concerning the economic aspects of the global power shift, it is important to mention that comparing the GDP on a Purchasing Power Parity (PPP) basis, China has since 2014 already a bigger economy than the US (MGM Research, n.d.). Projections for 2050 indicate the dominant share of Asian countries of the world economy: China will be the leading economic player, India the second, Indonesia the fourth and Japan will be in the fifth position. The US will be the third largest economy and none of the European countries will be in the five most important economies on a global scale (Davidson, 2019; PWC, 2017). The Forbes list of the world’s biggest companies in 2018 indicate that the Asia-Pacific region leads with 792 names, 40% of the list (Forbes, n.d.). Concerning the population factor it is important to mention relative demographic decline of Europe and the United States. The population of Asia is already about 4 times bigger than the combined population of the North America and Europe (United Nations, Department of Economic and Social Affairs, Population Division, 2019).

One of the most relevant examples of the global power shift is the Belt and Road Initiative (BRI) launched by China in 2013. The BRI is monumental project includes a massive infrastructure development to link the Eurasian landmass, as well as Africa, both by land and sea, to China. The BRI will connect, through 6 trade corridors, more than 60 countries representing 69% of the world population and 51% of its GDP. The BRI provides a relevant example on how geoeconomic strategy may impact both economic development and geopolitics. Some of the main strategic benefits of the BRI include bolstering regional stability, improving China’s energy security, developing export markets and re-reorienting trade. The BRI also favours the development of China’s inland regions and can subsequently contribute to the enhancement of the geopolitical cohesion of China. The BRI will increase Chinese influence in East Asia, South East-Asia, Eurasia, Middle East, Africa, the Artic region and Latin America. In addition, more than half of the world economy will be taken out of the US dollar dominated trade and economic relations which can lead to the strengthening of the global role of RMB / yuan. Consequently, the BRI may contribute to the emergence of new international financial order. This process could be accelerated in case of a new financial crisis that could start from the US and spread to other regions. The BRI places China in the centre of the Eurasian Heartland (Institute of Geodesy and Geophysics Chinese Academy of Sciences, n.d.). One of the main geopolitical significance of the BRI is to connect the major land powers of Eurasia: China, Russia and Germany. The collaboration of these three states and the Chinese land and maritime strategies to gain influence over the Rimlands of Eurasia can be considered as the strengthening of Eurasia and the weakening of the US led sea power strategy that seeks to prevail the emergence of peer competitors in Eurasia. In case of a potential collaboration of India with the BRI, the gravity of the international system would be significantly altered and an Asian led globalisation cycle would impact significantly the norms, trade rules and the narratives about global governance (Khana, 2019, p. 321). The global power shift, represented by the gravitation of global power back to Asia from the Euro-Atlantic zone, should be perceived in the longue durée (long duration) perspective of historical cycles. As a matter of fact, China and India had been leading the world economy for many centuries (Lambert, 2019).

5. The Strategic State

From a geoeconomic perspective, it can be stated that there has been no diminution of the importance of the state, but a transformation of its strategic role in order to adapt to a new power reality of the 21st century in which commercial, financial, technological and cultural factors play an increasing role (Kirsch, 2008). The objective of this Strategic State is to create the conditions for establishing a successful geoeconomic disposition that can create synergy between the private and public sectors of the economy and government agencies. The tools used to create a national geoeconomic framework of cooperation include education and training, research and development, commercial strategy, economic diplomacy, and economic intelligence among others. Grouping together, each of these elements into a national geoeconomic disposition may determine the influence of the state in the international system in the 21st century and impact considerably

---

2 Data obtained from Forbes Global. The Forbes Global 2000 is a list of the world’s largest corporations as measured by revenues, profits, assets and market value.

4 In case of a potential enlargement of Eurasia and the weakening of the US led sea power strategy that seeks to prevail the emergence of peer competitors in Eurasia. In case of a potential collaboration of India with the BRI, the gravity of the international system would be significantly altered and an Asian led globalisation cycle would impact significantly the norms, trade rules and the narratives about global governance (Khana, 2019, p. 321). The global power shift, represented by the gravitation of global power back to Asia from the Euro-Atlantic zone, should be perceived in the longue durée (long duration) perspective of historical cycles. As a matter of fact, China and India had been leading the world economy for many centuries (Lambert, 2019).
its socio-economic development. This process is influenced by cultural, historical, and geopolitical factors, and by a shared perception by various actors of public and private sectors, on the role of geoeconomics to enhance the economic security of the state. In this context, it is important to note the existence of different national approaches to develop and implement geoeconomic strategies (Harbulot, 1992; 2007; 2015).

In the case of Japan, cultural, historical, and geopolitical factors have influenced this nation to develop its geoeconomic power. The relatively small size of Japanese territory, combined with high population density, the lack of natural resources, a consensus-based society, in which authority, discipline, and collectivism are important values, and the country’s defeat in World War Two, all influenced Japanese strategic thinking after the conflict. The objective was to create a strong national geoeconomic disposition including an efficient system of Economic Intelligence. The Ministry of Economy, Trade and Industry (METI) played an important role in the strategic coordination between the public and the private sectors. Training, and other activities in fields related to the elaboration of geoeconomic strategies, were organized. Different networks between industrial groups and government agencies were created to develop a culture and practice of economic intelligence based on a systematic collection, analysis, and dissemination of information to actors in the economy (Harbulot, 1992, pp. 29-34). These coordinated geoeconomic activities played an important role in the successful market penetration of Japanese firms in the United States, in Europe, and in Latin America from the 1960s.

Cooperation between state agencies and companies runs counter to the tenets of neo-liberalism. The neo-liberal ideology advocates a high degree of deregulation, opening up rapidly the domestic economy to international exchanges and investments, privatization of most sectors of the economy, and limitation of the public sector. The neo-liberal model failed in several countries. One can mention the Argentinian economic depression taking place between 1998 and 2002, or the devastating consequences of the Russian ‘shock therapy’ in the 1990s. Contrary to the rapid liberalization and deregulation of the economy, the East Asian states opted for a gradual opening of their economies combined with a long-term economic development approach in which the state played a strategic role (Vogel, 1993). One of the most obvious examples of this approach – also called State Capitalism - is the successful economic development of South Korea which was a rather poor country in the 1960s. However, it became gradually a developed and prosperous state with competitive export oriented economic sectors by the 1990s (Chung, 2007).

An important constituent of a national geoeconomic disposition is Information Power of a given state which depends, to a considerable extent, upon its capabilities of strategic management of information and which plays a key role in geoeconomics. The growing impact of information and communication technologies (ICT), and related issues such as big data, artificial intelligence, and cyber security among others, has resulted in the new context of complexity, as ICTs increase the speed of the impacts of changes that affect political, economic, security and military matters. One of the most important components of a successful geoeconomic strategy is Economic Intelligence (EI). EI can be defined as the research, analysis, and dissemination of information, useful to different actors of a given business entity or of a given state to support geoeconomic strategies of these entities (Csurgai, 2017). EI can be understood as the transformation of information into knowledge and the knowledge in operational choices (Jean & Savona, 2011, p. 21). To have an efficient geoeconomic disposition, strategic networks of EI should be established between the state level and business. Economic Intelligence is not limited to the research, analysis and dissemination of information. This intelligence is often applied in offensive and indirect strategies such as disinformation, perception management, lobbying and destabilisation of an adversary company. Business and state entities therefore have developed both defensive and offensive capacities of EI. Defensive strategies related to information protection are very important as an enterprise can become a potential target of information gathering by competitors to obtain information on financial situation, market penetration strategies, clients, potential clients and innovation among others (Harbulot, 2015). The 2015 take-over of the energy division of the French company Alstom by US company General Electric (GE) provides a relevant example on the importance of Economic Intelligence and geoeconomic analysis. Alstom energy division was targeted by a strategy of destabilisation that included among others: the arrest and imprisonment of one of its chief executives in the United States, the use of US extraterritorial jurisdiction, lobbying and the imposing of a huge fine, USD 772 million by the US Department of Justice which aggravates the financial vulnerability of Alstom’s energy divisions.5

6. Concluding remarks

Geoeconomics is an interdisciplinary analysis that includes geopolitical factors, economic intelligence, strategic analysis and foresight and has the objective to provide a tool for states and businesses to develop and implement successful strategies to conquer markets, and protect strategic segments of the domestic economy and to achieve various foreign policy objectives as well. Geoeconomics can be considered as applied research and it can be understood as both an analysis and practice by states and businesses. In spite of its increasing role, geoeconomics does not substitute geopolitics. The two concepts are closely linked and therefore to examine contemporary power rivalries both geopolitical and geoeconomic analysis must be carried out.

5 A detailed description of this take-over can be found in the book: Frédéric Pierucci (2019).
The strategic approach to international economic relations and the reconsideration of the role of the state in economic policy should be a priority for states. Indeed, defending states’ economic interests in the 21st century requires a modified perception of their security needs in order to develop an efficient geoeconomic coordination between state agencies and private businesses. Study programs in geoeconomics and economic intelligence should be more integrated in professional training curriculum and university education to train current and future decision makers and analysts of both private and public sectors.

References


Abstract

The aim of this study is to examine whether the narrative of the Chinese civilization state, combined with the traditions of strategic culture, has resulted in new geopolitical dimensions. The discourse of China as a civilization state has gained theoretical expression in the last decade and is strongly related to the Chinese concept of the developing state. The paper compares the Russian, Indian discourses of the civilization state and finds that territorial integrity is a key element in them, as opposed to Russian state-centredness and Indian geographical-democratic narratives. The concept of the Chinese civilization state is linked to the role of the international developer state, which also rewrites the interpretation of the concept of sovereignty: the notion of extended sovereignty emerges, extending the interpretation of Chinese space to the strategic areas of the One Belt One Road. The European Union has not developed a strategic perspective on China, which, in the absence of an understanding of the strategic direction of Chinese policy, results in a number of short-term political and business approaches. Based on an innovative approach, the study demonstrates how the narratives of the developer civilization state and strategic culture pose a source of danger and uncertainty in the transregional context of international relations.

Keywords

Civilisational state, international developer state, strategic culture, BRI, European Union
1. Introduction

China’s emergence as a global superpower and its emergence as a central threat to the U.S. raise a number of questions for Euro-Atlantic or European regional security, as well. In January 2021, the EU concluded a long-term investment agreement with China, circumventing U.S. foreign policy negotiations as an exercise of its strategic autonomy. The aim of the study is to examine whether the use of the civilization narrative in China’s geopolitical objectives, as being part of the traditions of Chinese strategic culture, pose a military threat and civilizational insecurity for the European region.

The study methodologically analyzes the Chinese definition of civilization state discourse from a comparative perspective (comparing Russian, Indian, and Chinese civilization discourses). In addition, it connects them in an innovative way to the narrative of the developing state (China sees itself as both a developing and an international developer state), as well as interpretations of the Chinese characteristics of the developer state and to the concept of a new developer cosmopolitanism. The second part of the study, starting from the constructivist identity approach, applies the perspective of strategic culture and the application of some of its elements, examining the presence of the threat or its issues causing civilizational uncertainty.

The discourse of the civilization state has become a key issue in international political literature since the early 2010s, when Putin proclaimed the new civilizational geopolitics of the Russian Federation, which he called a state civilization. This is when the first edition of Weiwei Zhang’s ‘China Wave, the: Rise of a Civilisational State’ was published in China, courtesy of Fudan University (Zhang, 2011), as well as Narendra Modi’s new perspective on the topic of India as a civilization. Related to this is the new Ottomanism amplified by President Erdogan in Turkish foreign policy. In contrast to the world order based on American universalism, China, Russia, India, in the framework of the BRICS, seek to establish a multipolar world order that also recognizes the traditions of civilizations through geoeconomic and other institutional development tools affecting the international order (creation of an international development bank, standard warfare, ICT and quantum technologies, etc.) (Zhang, 2011).

Anglo-Saxon and European historical-political discourses have strongly criticized the narrative of the civilization state, however, the critique focused on the political content of this narrative that concerned democracy and was intended for internal use. The essence of this critique is that the narrative of the civilization state is a narrative of a nationalist imperial policy and authoritarian systems of power that opposes universal democratic principles, values, the rule of law (Coker, 2019). The study does not dispute this interpretation of the civilization state for domestic political use, but at the same time takes the civilization state perceptions of civilizational and historical-political debates seriously, as they place the behavior of a state in a broader and geopolitical context.

2. The Chinese Narrative of the Civilization State from a Comparative Point of View

2.1. Russian, Indian Civilization State Discourses

A particular variant of the concept of the civilization state is the concept of the Russian civilization state used by Putin, in which the essence of the civilization state is state-centredness, the Russian state and a strong Russian state, as a criterion for the existence of civilization; the prominent role in Christian civilization (Third Rome), the preservation of Christian civilization (as opposed to the enlightened West), the coordinated foreign policy activity of religion and the state in foreign policy. The model of this civilizational perspective is strongly similar to the imperial model developed by Moscow, the independent autocratic Russian Empire, and then the Tsarist Russian Empire, and strongly resembles the fiscal military state as a typical European colonial state model, or its 20th century variant, the fortress state (garrison state) model. In the Russian model of civilization, a key issue in foreign policy is for Russia to be able to make good choices, to be able to decide between East and West, because the decision will result in the preservation or cessation of civilization. The Russian foreign policy elite sees itself as part of the culture of European civilization, but describes the state partly with East-despotic Mongolian and partly with bureaucratic Byzantine characteristics (Tsygankov, 2016).

The discourse of Indian civilization is based on the concept of Bharatavarsha, i.e. India’s new geographical and historical concept. That is, India can only be defined collectively by its states: it has a central part and has territories in the direction of the four equators, i.e., an individual can live in any part of India, but not in Bharatavarsha. The term is a colonial concept that refers to India as an area bounded by fixed borders in which Indian unity is overemphasized. The name India has become controversial because it is the name under which Darius made the Indus region a starphaja; as a result of Islamic conquest it was named Hindustan; the British named it India, and then this name remained even after Pakistan (and Bangladesh) seceded. In contrast, the land of Bharat is the entire subcontinent that stretches from the Himalayas to the Indian Ocean (Chattopadhyaya, 2019). This concept is contrasted with the nation-state concept of 19th century India, which was a response to colonization. At present, India is a unified political entity whose political unity is based on the heritage of civilization, i.e., India is a civilization state in which no linguistic or ethnic or religious community has been exclusively represented. Civilizations could have multiple political units, and multiple states could operate within a political formation. India was part of different kingdoms. Today’s India does not cover the entire territory of civilization, and part of the population considers itself to belong to another civilization (Pakistan). The Hinduva concept (Hindu nation-state) adopted by the Indian National Congress, or Nehru’s India Idea, is
The areas where Chinese culture has spread and which have been assimilated by the unity of the heavenly empire, the territory of the Chinese state includes parts of the concept of Confucian culture, which from the beginning determined the state power. The nationbuilding of the Chinese Communist Party (CCP) is based on the concept of the civilization state are territoriality, sovereignty, and state power. The nationbuilding of the Chinese Communist Party (CCP) is based on the concept of Confucian culture, which from the beginning determined the civilization perspective of the Chinese state. According to tianxia, the existence under the unity of the heavenly empire, the territory of the Chinese state includes the areas where Chinese culture has spread and which have been assimilated by China. Tianxia, that is, everyone under heaven, is an area bounded by Chinese culture. In this way, the state is not a nationstate with unchanged borders, but a civilization state in which, in addition to Han Chinese culture, other cultures participate as well. Han superiority stemmed from civilization and was apt to integrate barbarians. The Han people protected culture by creating a unified state, which, at the same time, allowed them to launch expeditions to integrate or tax non-Han territories.

During the Qing Dynasty, in the age of nationstates, all areas: Xinjiang, Tibet and parts of Mongolia that were inhabited by Han people were considered to be a part of the nation-state. Since it also considered itself a civilization state in the 19th century, it did not have to define nationalities. Nationality in contrast to Europe, where it meant civil rights was an ethnic group in China that was part of the Chinese nation. The minority does not have a political identity, the concept is essentially similar to the definition of the German cultural nation. From 1931 onwards, the CCP abandoned the right to national self-determination. The model of the civilization state is strongly criticized by Christopher Coker, who says that it is a disguise of the model of an autocratic state against democracy and aims to make dictatorship presentable.

2.2. Characteristics of the Chinese Model of Civilization

The definition of the civilization state is related to Weiwei Zhang. According to Weiwei Zhang China is the only civilization state in the world. It is the only state that has existed as a unified state in the process of history for 2,000 years and has a 5,000-year history of civilization. The Chinese are aboriginal on their land and the only country to have evolved from an ancient civilization into a powerful state model. The Chinese model is based on four factors: an exceptionally large population, an exceptionally vast area, an exceptionally deep history, and an exceptionally rich culture. Embedding the model of civilization in history, he emphasizes that the great powers of the world were England and France with a population of 10 million in the 18th and 19th centuries, Japan and the United States with a population of 100 million in the 20th century; in the 21st century, the 'billionaire' countries, China and India, have a role to play as new types of civilized states.¹

Parts of the concept of the civilization state are territority, sovereignty, and state power. The nationbuilding of the Chinese Communist Party (CCP) is based on the concept of Confucian culture, which from the beginning determined the civilization perspective of the Chinese state. According to tianxia, the existence under the unity of the heavenly empire, the territory of the Chinese state includes the areas where Chinese culture has spread and which have been assimilated by China. Tianxia, that is, everyone under heaven, is an area bounded by Chinese

¹ Weiwei sees China not as a unified state, but as one with developed and emerging regions, and its main feature is the rise of the middle classes. In Chinese history, he saw becoming a nation-state as an extremely risky path, and examined the state of civilization from a new perspective: the perspective of the Chinese developer state. For him, the Western model extends from India to Eastern Europe, while China has developed its own emancipated model and is responding to international problems.

2.3. China, as a Civilizational Developer State

China has defined itself as a nationstate since the 1911 revolution, but historians and sinologists say the Chinese state still retains the essential features of a civilization state. China’s identity is tied to the civilization state, and it would be difficult to define it as a nation-state in the Western sense. Based on nation-state logic, Chinese capitalism was originally formed as state capitalism from nation-state political economy. According to Lucien Pye, Western thinking led from the fragmentation of Western civilization to the formation of a system of nation-states, and evaluating it as a nation-state appears as a kind of constraint in the interpretation of Chinese state development.

In the Chinese civilization state, the state cannot be challenged, its function is to protect civilization. It is the duty of the Chinese state to protect the unity and integrity of China. Anarchism is not an alternative to the state, the state gives and guarantees, as well as restricts rights. The party state and one-party system were characteristic not only to the Chinese Communist, but also to the bourgeois movement, and to the thinking of the Kuomintang, the nationalist party, as well as to Sun Yat Sen and Chiang Kai-shek himself. Based on the above, the party state is not to be interpreted in a European sense, and both the communist revolution and Deng Xiaoping’s market capitalism are Chineseized. The CCP has significant capacity and is a guarantor of political and economic stability in China’s reforms. The Chinese capitalist developer state has adopted the Asian experience, the strong political leadership, and an elite development-oriented policy in the bureaucracy of elites.
China’s development is considered by many analysts to be part of the Asian model of the so-called developer state, characterized by strong and competent state intervention with carefully formulated industrial policies, planning versus market forces, and optimal allocation of resources. Almost all literature points out that the Washington Consensus that is, the idealized minimal state, market-centric, neoliberal economic model was valid for the transition from European socialism, but East Asia opposed it and consistently resisted. Japan’s developer state model has had an inspiring effect on the whole region (little tigers), on the development in Malaysia and Indonesia, and China as well. China’s development has been characterized by the development of the entrepreneurial capacity of state elites in the state-owned sector, the emergence of a dual economy (in addition to the competitive industrial areas, the backward internal areas and the system of enterprises producing for the domestic market, the external effects were even stronger). Japan’s development was strategically subordinated to the US, while in the case of the Chinese economy the so-called Beijing Consensus formula strengthened. This has been linked to a kind of pragmatic policy and tolerant authoritarian statehood since the years of opening up, at a time when U.S. financial power was declining and access to U.S. markets was a key element of any development (Beeson, 2009).

2.4. China as a Cosmopolitan Developer State (Developer State with Chinese Characteristics)

The literature on China’s economic development often refers to Friedrich List’s model of national economy, as opposed to the perception of a cosmopolitan economy tied to free trade by Adam Smith. All nations’ economies need protection, especially of the backward countries. The power of the nation builds on productive power and not on trade. The theory of productive power was essentially a view of state-administered economic development that played a powerful role in theories of international development. Several authors pointed out that while the U.S. central international institutional system was on a crusade against state intervention, a significant number of U.S. firms were involved in business development, especially in the machinery industry, coupled with a significant tax cut and export subsidies. This has been extended to American global companies, as well (Shafaeddin, 2000).

The developer state, with its Chinese characteristics, is the engine of social and economic development, creating social stability, political predictability and managed equality, while at the same time being a developer of technological modernization. In contrast to the traditional nation-state-centered developer state, the Chinese model is internationally oriented and does not build on ideological preferences (see anti-communism). It is fundamentally open to using everything that development means as an experience without relinquishing its own sovereignty, but it perseveres in following the model and system of the planned economy, and is able to withstand the liberal pressures of financial control of the economy. It believes in the development of the infrastructure of productive forces and the export orientation in a sustainable way. The national education system is put at the service of economic growth and international markets. At the heart of China’s developer state policy is a state-driven industrial policy, a bureaucratic elite capable of managing it, not subordinated to industrial lobby groups, but one that is capable of establishing public-private sector cooperation, professional and independent operation based on market signals. The Chinese developer state will not allow liberal ideology to enter, because it will break the national consensus and it will not allow political pluralism to emerge either. Democracy alone is not a political system that necessarily deals with development.

In cooperation with the various sectors, the local governments managed the land, the private capital managed the investments and the management did so with private operation. The consequence of the above strengthens the interconnection of private capital and markets, state bodies, and clientelism. Cooperation requires a market-oriented, simultaneously cooperative environment, and the Communist Party is regularly forced to co-opt new capitalist actors. The relationship between local party and state organizations and the company leaders plays a much bigger role than the issue of property. It is due to institutional clientelism that reforms do not cause political change or shock, and the return on private capital is the main source of government revenue.

Overall, therefore, the Chinese state capitalist model is unique in that, from the perspective of the civilization state, it is not oriented to the national perspective of political economy, but to a cosmopolitan economic order. It created the marketing of the former communist economy, the party state, the local government, and it uses traditional Asian clientelism with various forms of ownership and gives special institutional hegemony to the Chinese model. The model is complemented by the Sinicization of Buddhism, the interpretations of Chinese Marxism and Chinese Socialism.

In the model of the developer civilization state, the most important actors are the state-owned enterprises (SOEs). The model of state capitalism is spreading worldwide, with businesses accounting for 80% of the national capital market in China, 62% in Russia, and 38% in Brazil. This made it possible to create the so-called sovereign wealth funds (SWF). The SWF is a state-owned investment fund created by the state from its own reserves, mostly built on central bank reserves, resulting in a budget and trade surplus, allowing foreign exchange trading, the use of privatized money, government financial transfer and the generation of income from the export of natural resources. The funds may serve SWF purposes for stabilization, savings, retirement, reserve investment and strategic development. (In the early 2000s, the Norwegian SWF was USD 1 trillion, or USD 200,000 per
citizen; the UAE SWF was USD 683 billion, which is more than the Norwegian.) The China Investment Corporation has a much lower performance of SWF with USD 940 billion. In essence, the emergence of the SWF marks the end of the neoliberal capitalism model and brings with it the challenging of the Western-type state and its financial institutions. The emergence of SWFs is a matter of national security, because the transfer of U.S. debts to the Chinese state gives it a serious say in the internal affairs of U.S. policy. In 2015, Chinese funds worth nearly USD 1,800 billion put global leadership in China's hands. Qatar and Saudi Arabia have also caught up with Norway and the UAE among the countries with the largest SWF. SWFs provide much higher returns, and since financial investments have reorganized around the world, their importance has come to the forefront. In the case of Russia, a fund of USD 10 billion generated 25 billion in US investments, so the BRI program on China’s part means that a significant portion of global investments could result in a 2.5-fold increase in investment (PWC, 2020).

The global financial and trade crisis did not shake China, as a result of which research into state capitalism against the Western neoliberal model began. The crisis of Western capitalism was accompanied by research on the so-called transnational capitalism and the rise of the BRICS states. Chinese state capitalism was perceived by the West as a transition from communism to capitalism, and not as the rise of an independent coordinated market economy. Others say the results are backed by China’s agrarian reforms, private sector growth, opening-up policies and globalization, and the model is expected to exhaust (Xing & Shaw, 2016).

2.5. Xi Jinping and the Perspective of Developer Cosmopolitanism

Hu’s leadership in the 2000s was essentially the most liberal period of China, a kind of preliberal hybrid autocracy in which the acceleration of corruption outpaced GDP growth. It was then that Bo Xilai, who was a new phenomenon of Chinese populism, rose to the highest political level. Xi Jinping took over many elements of Bo Xilai’s populist style, which led him to the pinnacle of power. The goals of the Central Asian Silk Road program, the development of the western provinces, and the suppression of corruption remained, but Xi Jinping also rose to the rank of theoretician politicians (Womack, 2017). Among Xi Jinping’s criteria, the foreign policy goals of ‘Chinese characteristics of socialism in the new era’ are the following:

- Development ideas that are based on science and innovative, coordinated, green, open and shared development.
- Coexistence with nature, energy conservation and environmental protection, contributing to global ecological security.
- Strengthening national security.
- The CCP has the sole leadership over the army.
- One country, two regimes for Hong Kong and Macao with the prospect of full national reunification, one China policy and adherence to the 1992 Taiwan Consensus.
- The common destiny of the Chinese people and other peoples through the creation of a peaceful international environment.

Based on the above theses, Chinese socialism in the new era not only did not break with Hu Jintao’s liberal view system, but retained its post-socialist character. People-centredness was complemented by the primacy of the public interest, the preservation of the principles of reform, that is, the liberal economy. The cosmopolitan concept of development policy means that it no longer reflects the protection of state-owned companies. The break with technocratic politics is emphasized the development of participatory models of development. Governance under the rule of law was first formally enshrined in the constitution, albeit just as Xi Jinping’s idea. An explanation of socialist basic values is still lacking. The development of human well-being and livelihood is a radical break with Deng’s materialism. It is extremely important to subordinate the army to the CCP in order to prevent a possible military takeover. In essence, paragraph 13 depicts the break with Deng’s developer nationalism and articulates the program of the cosmopolitan world order. The constitutionality of Xi Jinping’s personality meant the completion of the Tianxia principle, the granting of the Mandate of Heaven. In this context, the age of the Chinese revolutions (Sun Yat Sen, Mao Zedong, Deng Xiaoping, Xi Jinping) is essentially just an era of a ‘political dynasty’ of the Heavenly Empire that is an integral part of the Chinese dynastic perception of history.

3. Interpretation of Chinese Civilizational Foreign Policy

3.1. National Border, Civilizational Border, Transnational Zone

The civilization state is a preserving state whose purpose is to preserve the past and the order of civilization. From a confessionist point of view, it is the task of Chinese politics to minimize tensions and conflicts with the world. Based on this, international society is an extension of China’s internal society; national borders are far wider than physical boundaries and form a transnational cultural zone in which the systems of the Suzerainty kingdoms along the Silk Road calmly fit. According to the concept of national renewal, China has regained its cultural self-esteem and aims to reinvent itself and be a stimulus for regional solidarity. The

---

BRI is not simply an economic program, but a definite civilizational imperative to reconstruct China’s regional order. The image and memory of the Silk Road, the tribute, the resurrection of the war-paying system (Islam, 2018).

3.2. The Geopolitical Dimensions of the Civilization State and Strategic Thinking

All experts tend to derive the basic theses of strategic thinking from Confucian traditions, on one hand that is: harmony is the supreme treasure placed above conflict. The other element of tradition, on the other hand, concerns the Art of War, the study of Sun Yu, that is, war must be won in a psychological and symbolic way, not by an open military confrontation. At the same time, literature sees China as a thinker under the influence of real politics, in which the cult of defending the country has been given priority. China is a pacific defensive, non-expanding power, but national security can be threatened both by external and internal dangers. The 1988 military strategy also applies the doctrine of active defense. For the sake of world peace, they use more peaceful means, but they do not shy away from the use of force either. They never seek hegemony, but they resist the hegemony of others. In the course of China’s 4,000-year history we can see 3,700-4,000 civil wars with the aim of uniting the country, while it only participated in 8 wars since 1911. (The U.S. were involved in 134 global armed conflicts between 1946 and 2011.) In 1979, it saw the attack on Vietnam as a strategic pre-emptive counterattack.

In Chinese thinking, every war is a just war because it is about the unity of the country. The strategic legacy of Chinese civilization is the concept of unification, which is the secret of the immortality of Chinese civilization, a feature of Chinese thinking culture. The unification of Chinese territories is therefore a strategic defense goal, for which active defense and active attack are also allowed, in search of flexible solutions.

The number one threat is the U.S., for the use of Taiwan as a chess piece that violates China’s unification strategic interests, the second is Japan because it acts along the U.S. interests.

Japan’s strategic culture is seen by the Chinese military leadership as a mutant ninja culture, i.e. a bloodthirsty mixture of the bushido (military warrior) and the ‘primitive’ Shinto religion, i.e. a barbaric strategic culture that China experienced during World War II atrocities. The current peaceful image is merely a mask they wear due to American pressure.

American strategic culture is seen by the Chinese as a naval power, a Western hegemonic culture that knows only the military means of geographical and political expansion, and is currently paired with both ideological and cultural hegemony. In contrast, continental culture is moral and self-evolving. American strategic culture has three weaknesses: as a result of the elections, the American presidents drag American foreign policy back and forth between the poles of realism and idealism; secondly the American political elite has no sense of history due to its lack of historical knowledge (except for Kissinger or Brzezinski), and finally relies too much on technology by which it encourages its opponents to arm themselves, and technology makes them vulnerable in defense.

In U.S. military analysis, China is a pacific, anti-hegemony, and defense-centric civilization in which just war and strategic offensive calmly coexist. The primary goal is the unification of civilization, in which the army has a sacred duty to repatriate torn offs to the motherland, and that of armed police formations to prevent the independence aspirations of ethnic minorities (Scobell, 2002). The main challenge for the civilization state, therefore, is to bring Taiwan back under Chinese statehood, even with active offensive force. Consequently, any state that recognizes Taiwan’s independent statehood violates China’s strategic interests and any country that interferes in its minority interests and affairs (Hong Kong, Uyghur Territories) acts in the interests of Western hegemony. In April 2021, the leaders of Japan and the United States issued a communiqué on human rights issues in Hong Kong and Xinjiang. China responded immediately, confirming that Taiwan, Hong Kong and Xinjiang belong to China’s internal affairs. They last mentioned the Taiwan Strait and the island in 1989, along with China’s aggressive moves in the region and in the regions of the South China Sea. All of this happened after 25 Chinese warplanes flew into Taiwan’s airspace (Sharp, 2021).

3.3. The Interpretation of Extended Sovereignty and its Geopolitical Critique

The Chinese interpretation of sovereignty has been analyzed in detail in the literature on international relations. Carrai, M.A. (2019) a researcher at the Institute of Europe in Florence provides one of the most comprehensive analyzes on the subject. It covers the interpretation of the Chinese Tianxia, i.e. the heavenly empire, the sinocentric ritual system of the 19th century, the situation and interpretation of the Chinese Empire in the cocaine war and the subsequent Chinese dependent situation, and the conflicts of China and the interpretation of international law. It presents the main issues of sovereignty between 1949 and 1989; the program of national unification; the influence of Soviet ideology; the Bandung principles as the five Chinese principles in the program of peaceful coexistence; the importance of sovereignty; the Taiwan issue; the right to participate in UN and the issue of international recognition. An important event of the period is the repatriation of Hong Kong, the adoption of the principle of one country, two regimes. After 1989, China’s historical heritage, the so-called absolute sovereignty, the questions of territorial unity and the interpretation of territorial unity within maritime borders came up again.

As a result of the research, Carrai concludes that with the rise of China into a global economic power, a need for the so-called extended solidarity appeared. The author
basically evaluates this as an issue characteristic of the modern history of China, i.e. the opium wars, Taiwan, disregard for the law of the autonomous regions, the issues of territorial unification as a position contrary to international law. She objects to China’s treatment of the borders of the Qing Empire as the exclusive and rigid legal basis, and interprets the Qing Dynasty’s struggle for sovereignty over the West as Chinese colonization. She also objects to the text of the Chinese Communist Constitution, which still emphasizes the unification of the homeland, and she also fails to understand why the elimination of the ‘centuries of humiliation’ (i.e. the subjugation of China by Westerners) is still an essential element of Chinese foreign policy. She complains that China wants to achieve sovereignty in all areas, including online space, education, airspace, economy, maritime areas and food sovereignty. Contrary to current post-sovereignty perspectives, China is a strong defender of Westphalian sovereignty. However, she points out that China signed the first treaty on sovereign borders with the Russian Empire in Nerchinsk in 1689, as well as that China’s interpretation of international law existed independently of the European law.

Literature and daily political journalism see the Bandung principles as mutual recognition and respect for territorial integrity and sovereignty as a defense of the communist regime, and the suppression of the 1989 Tiananmen Square protest as a right of the sovereign state, referring to Deng Xiaoping’s argument that human rights and the adequacy of the socialist system follow only after sovereignty in law. When the UN High Commissioner for Human Rights protested, Beijing justified the relocation of the Uighur minority in the Xinjiang region to camps with the Islamic militant and separatist threats, and it sees every move as an interference with China’s sovereignty. The Western perspective of globalization – in which cyberspace is global, that is controlled by the United States, is against the international order of cyberspace based on state sovereignty. It considers their claim over Taiwan and the sovereign rights over the disputed territories of India, as well as the seas, to be illegal.

Western literature and political journalism object to Beijing’s relationship with the Chinese diaspora, the Chinese ownership of facilities built under the BRI initiative (in the case of Sri Lanka, Kenya, Myanmar, Cambodia). Interventions on the Chinese government’s part, which violate the sovereignty of foreign states, include actions in other countries (the Manhattan interrogation of businessman Guo Wenghui) and the use of coercive and corrupt methods in the U.S. to facilitate espionage against Western states by setting up international organizations. Chinese state global propaganda is considered illegal, that is, how China wants to influence the debates about China.

In the case of Chinese policy, it is difficult for Western powers to apply the R2P principle (responsibility to protect) due to the above, as the balance of intervention of the US and NATO is disputed in the international system on this issue. China is preparing for the launch of provocative and bluff actions, as was the case with the Iraq war. However, the Biden government hardly expects a ‘preventive, active offensive’ in the US or Japan. Based on Chinese flights and the US-Japan declaration war, a preventive offensive by the Chinese government similar to the Vietnam-China War cannot be ruled out.

Over the past thirty years, globalization has shown strong cooperation between the Chinese and Taiwanese economies, rooted in U.S. exports. Many Taiwanese companies have relocated to China, mainly Shanghai, for cheap Chinese labor. However, in Taiwan, despite the strengthening of cultural and social ties, the population has strongly advocated for parties that want to maintain Taiwan’s sovereignty.

In literature, the BRI initiative is seen as a strong decline in the sovereignty of countries accepting Chinese loans: financial dependence of states, expropriated lands, employment of masses of migrant workers on construction sites, inequality of contracts that transfer profits to China – these are the most common arguments in the studies of Asia research institutes. The consequence is that China will be able to rearrange the states of vast areas into a sovereign relationship. At the same time, with the BRI and the previous Chinese opening policy, the Chinese state has generated and will generate huge wealth abroad. In order to protect its assets, China is entitled to a so-called development intervention to avoid the political, cultural and legal risks of the project. The port of Sri Lanka was built by a state-owned company, the China Merchants Port Holding for USD 1.6 billion. The Colombo government was unable to repay the loan and the Holding bought the share for 70% of the price for 99 years. Mataalla International Airport (the world’s emptiest airport) was built for USD 209 million and bought by India at 70% for 40 years. In the case of Kenya, it has been included in the BRI Treaty that no property right enjoys immunity by reference to sovereignty. In the case of Pakistan, the ‘bad debt’ was helped by the IMF loan, which ultimately meant a loan from the U.S.

According to the Belt and Road News website, the term debt trap is incorrect, as the port of Hambantota in Sri Lanka is the only such case. In 38 cases, BRI debts were renegotiated and resolved mostly in favor of the borrowing countries. In 14 cases, public debt was relieved. At the same time, the authors of the website acknowledge that huge projects are plunging countries into a medium-term financial crisis, and the consequences include acute financial crisis, a fiscal imbalance, and a dramatic depletion of foreign reserves. According to U.S. think tanks, the 68 BRI borrowing countries will be trapped in debt, China will acquire the values of these countries and ruin their economies. On the other hand, the cost of trade and transportation time is declining, with some countries like Greece gaining huge economic benefits (Piraeus), resulting in new positions of power in world economy. It is true that as of 2010, beyond the 2 docks, China’s COSCO has gained almost everything, with Piraeus moving from 93rd to 38th in the world rankings of ports and is the fastest growing port in the world. Through the BRI, China can develop many small states in Africa, Latin America and Central Europe into major economic powers vis-à-vis Western-oriented states. Therefore, by
combining economic and political factors and sovereignty, China is reorganizing the geostrategic division of power for the future.

The Chinese legal literature and the political interests behind it are clearly putting pressure on the Chinese government to implement the BRI’s legalist view, which is, to internationalize certain elements of domestic policy for the BRI countries. On the other hand, the BRI is far more than a simple free trade association; regional integration, a political community based on common interests, and a cultural identity are also taking shape. According to legal literature, China is only taking advantage of Western international law, with opponents saying the Western legal system is being challenged and amended. Under the absolutist interpretation of sovereignty law, in the case of the BRI, the U.S. and Western countries cannot interfere in the conclusion of agreements between partner countries and China. On the other hand, from a relativist point of view, China can defend its interests against foreign influence by ideological and legal means in addition to respecting international law. In essence, Chinese investment is protected by China against the Western liberal interventionist attitude, that is, by not allowing the nationalism of developing countries (Zhao, 2018).

4. Sovereignty Regimes Emerged in the BRI Process

Based on the above, the finding that China’s geopolitical expansion in the BRI program occurs through so-called sovereignty regimes, as in the Marshall Plan period, seems to be well founded. If Asian countries make $USD 26 trillion in infrastructure investment, they will be able to address their economic problems with an annual GDP growth of 3-7% between 2016 and 2030. 14 countries in East and South-East Asia, 13 in Central and South Asia, 17 in the Middle East and Africa, 24 in Europe and Eurasia. Out of 68 countries, Standard & Poors and other agencies considered 35 countries to be able to manage debt properly and 33 to be exposed to debt stress. Cambodia, Laos and Mongolia, Afghanistan, Bhutan, Kyrgyzstan, the Maldives, Pakistan, Sri Lanka and Tajikistan, Djibouti, Egypt, Ethiopia, Iraq, Jordan, Kenya and Lebanon, Albania, Armenia, Belarus, Bosnia and Herzegovina, Montenegro and the Ukraine.

In 2011, China wrote off Tajikistan’s debt in exchange for handing over 1,158 km² of disputed land to Beijing, 5.5% of Beijing’s original claim. China has restructured Cuba’s debt of 4-6 billion, writing off part of it. In the case of Mongolia, it provided additional credit in 2017 through the IMF. After 2016, China was listed as the largest donor country in the International Development

5. Summary

The Chinese state stands out among the civilization states through defining its territory of civilization together with the territory of other political entities (Taiwan). Within the international community, there are very few states that de facto and de jure recognize Taiwan’s independence; these states are not recognized by Chinese diplomacy. However, most states de facto recognize Taiwan’s autonomy, and if they also support it militarily, they are sources of danger in the interpretation of Chinese sovereignty. The spectacular appearance of Chinese investments and assets in the Silk Road areas allows for the interpretation of extended sovereignty, and the Chinese national protection of these assets overrides the sovereignty rights of that country. The protection of Chinese wealth creates a new uncertainty, which stems mainly from the sovereign system of relations of some countries becoming a sovereign dependence. Based on the above, Chinese strategic culture develops a system of sovereignty regimes that override the Westphalian international order at least as much as the post-national state model of supranational regional integrations. The one state, two regimes model does not seem to work for Hong Kong, and it is likely to be easier to enforce extended sovereignty for non-liberal democratic models as well. Foreign policy and geopolitics start at home, and that is no different in regards to China either. To understand the trajectory of China’s international behavior, it is therefore important to move beyond the rhetoric and statements aimed at the international audience. Internal goals, guidelines and statements, especially those intended for the internal ‘society and public’ and for internal party consumption, often give the most plastic signs of where China’s foreign policy is headed. 2021 is a milestone for the CCP and the People’s Republic of China because the 14th Five-Year Plan was adopted on March 11th. Instead of the previous inward-looking ‘we are entering a new stage of development’ goal, improving quality is the main slogan now. Emphasis is placed on getting rid of

---

3 The legalist view of the 6 schools of Chinese philosophy is the trend that is a kind of real political view using administrative methods, standards and the tools of law: that is, the wealth of the state is a political practice that achieves autocracy, order, security and stability. The application of this concept is the application of punishment and reward at an international level. See the new export-import regulations, the impossible measures for US companies, and the exceptional treatment of Europeans in the EU-China investment treaty.

4 With nearly 92 million members, the Chinese Communist Party represents 6.5% of the population. About 20 million people apply for admission each year. Currently, 28.9% are under 35, 46.9% are at an active age, and 24.2% are over 60. The proportion of university graduates in the CCP is 50.7%, and 34.8% are manual workers or peasants. The proportion of women is below 30%. It is a new phenomenon that 3-4 main party members can form party foundations, as a result of which 73% of private economic organizations have foundations.
foreign technologies, becoming the world’s industrial superpower, and playing a global role in strategically important new industries. In the five-year plan, culture and ideology, Xi Jinping’s thoughts were institutionalized with 8 separate chapters. At the beginning of 2021, GDP growth is 18.3% and will continue to normalize, with the annual growth projected at 6%.

The main concern for the EU is not the 100th anniversary of the party, but the fact that in 6 out of 30 elements in the market for critical raw materials in rare metals China is the world’s leading supplier, and in 4 it is among the world’s largest suppliers. In the case of European businesses, there is a growing concern that the policy of detachment, standards and data diversification resulting from China’s new economic autonomy will make it impossible for the EU to be present in Chinese markets. However, the EU’s responses so far have been organized along short-term interests, and its leaders do not see the issue of extending sovereignty, and there are no strategic solutions. The spread of democracy left over from the Cold War as a strategic point of view does not seem to be working, and it is fundamentally necessary to rethink, which elements of the European strategic culture could work regarding China.

References

EU and Japan in Central Asia: Engagements in a Geopolitical Context Via Less Geopolitical Approaches

Langjia, Zeren

Abstract
For the past three decades, Central Asia has been increasingly attractive to various international great powers, including the US, China, Russia and the EU in particular. Nevertheless, the low-key presence of Japan does not deny its importance for Euro-Asian cooperation. Besides, both the EU and Japan have their own Central Asia policies, from which their strategic interests, geopolitical ambitions and geopolitical concerns could be observed. It won't be a hasty generalization to say that the EU and Japan share some common ground regarding energy security, water insecurity, democratization, terrorism, external factors, etc., though it’s not easy to find the breakthrough point of EU-Japan cooperation and there is still a big space worthy of being further explored. Meanwhile, differing from other powers, the EU and Japan share certain similarities in the region thanks to the less intensity of asserting their geopolitical ambitions. Therefore, Central Asia could be the region where EU-Japan collaboration could converge and they could explore their potential synergies. The author has an intention of exploring Japanese and EU engagements in Central Asia and observing the common features shared by Japan and the EU.

Keywords
EU, Japan, engagements, Central Asia, geopolitical
1. Introduction

Sir Halford Mackinder, the founding father of geopolitics, perceives Central Asia (CA) as the world’s most important place and describes it as the ‘pivot region of the world’s politics’ and the ‘Heartland’. After many decades, Central Asia’s geopolitical position has not faded away. Instead, the region becomes an increasingly important battlefield of geopolitics, in particular since the beginning of the new century. For the time being, the preeminent geopolitical reality in CA is of a Russia in precipitous and probably terminal decline, a rising China through an unpredictable transition from regional power to global competitor, Afghanistan and Pakistan without much near-term geopolitical strength, India as a better bet to shape Central Asia’s geopolitics in a constructive fashion, Iran’s geopolitical impact in the future rather than the present, Turkey’s focused and tactical efforts in CA, and other actors, including Middle Eastern actors (particularly the Saudis), the EU with its unlikeliness to be a significant geopolitical actor in CA in the future, and the US as ‘a sleepy player’ in the region (Wimbush, 2020). While the EU and Japan are two important international powers, they are not taken as major players in CA. This status quo may change along with the engagements of both actors in the region.

Central Asia is a geopolitically special region. Its geopolitics is characterised by three features, i.e. stability along CA’s borderlands, high interactions among the external forces, and no ‘great enough’ power by itself to change the shape of the region’s competitive landscape (Wimbush, 2020). According to Wimbush, the stability at its centre is the most striking feature of CA’s geopolitical universe, and somehow CA is ‘a strategic actor in its own right’. As more external forces get involved in the region, CA’s geopolitics attracts more international attention. Mackinder (1919, p. 194) once averred that command of this ‘Heartland’ inevitably leads to command of the entire world. Nevertheless, no one is ‘great enough’ to rule the Heartland and the World-Island. This is a basic premise of developing Japan-Central Asian relations, EU-Central Asian relations and any other relations. This article aims to better understand Japanese and EU policies towards CA, to analyse how they get involved in CA and to shed light upon why they prioritise ‘soft’ geopolitical ambitions.

2. Japan’s Central Asian Policy and Its Engagement

With the collapse of the Soviet Union and the rise of China in the 1990s, Japanese leaders recognized the need for a more independent foreign policy adapted to the new realities. The end of the Cold War ushered in historic changes in party politics, and the pro-US and anti-Soviet Liberal Democratic Party came to hold the power. During the years of unstable coalition government between 1993 and 1996, Japan was in no position to exercise leadership in international affairs (Tōgō, 2014). Nevertheless, under the next three LDP cabinets, Japan began in one way or another to display a new degree of initiative and independence in its foreign policy. It is said that the political vacuum after the collapse of the Soviet Union opened up room for Japanese diplomatic efforts and provided an opportunity for Japan to develop its own independent foreign policy in East Asia (Tōgō, 2014).

Japan’s intention of independent foreign policy can be observed through its pursuit of a diplomatic agenda on Eurasia during the post-Soviet era. As a former top Foreign Ministry official closely involved in the policy’s development and implementation under three successive Liberal Democratic Party (LDP) said that Eurasian diplomacy played a crucial role in this post-Soviet transition period, which are corresponding to the Liberal Democratic administrations of Hashimoto Ryūtarō (January 1996–July 1998), Obuchi Keizō (July 1998–April 2000) and Mori Yoshihiko (April 2000–April 2001).


2.1.1. Ryutaro HASHIMOTO and His ‘Independent Efforts’

Back to Prime Minister Hashimoto’s time, the biggest foreign policy challenge facing the new Hashimoto cabinet was to chart a viable path for Japan in the face of China’s rising power and America’s determination to use its Pacific strategy to keep China in check. The issue was not which side Japan would ultimately take in the event of such a clash. Hashimoto was quite assured that the only realistic choice for Japan in such a situation was to side with the United States. But in view of China’s rapidly growing power, it no longer seemed wise to remain fully dependent on the Japan-US alliance. During the Japan-US summit in April 1996, Hashimoto said, ‘So, while Japan and America need to coordinate, we also need to pursue our own independent efforts.’ Namely, while not denying the need to strengthen the Japan-US alliance and the importance of this bilateral relationship, Hashimoto insisted that Japan pursue its own independent China policy. In 1997, Hashimoto presented Japan’s first strategy on Central Asia and introduced the country’s new ‘Silk Road’ diplomacy concept with a focus on three respects: political dialogue, economic cooperation, and cooperation in nuclear non-proliferation and maintaining peace. The new strategy is known as Eurasian Diplomacy as Viewed from the Pacific, which is a strategic vision of Japan’s engagement with China, Russia and, for the first time, Central Asia. Basically, the Eurasian diplomacy was in essence Hashimoto’s answer to the dilemma of siding with China or the US (Tōgō, 2014). The strategy made it possible for Japan to develop ‘systematic support’ and thus became ‘an institutionalized approach’ to engaging in CA (Muratbekova, 2019). Hashimoto’s
emphasis on ‘independent efforts’ clearly signalled Japan’s determination to take responsibility for its own policy, and he was looking for new options for Japan and decided to strengthen Japan’s foreign policy towards a wider region, and the outcome was the initiative known as Eurasian diplomacy.

Hashimoto’s Eurasian diplomacy can be boiled down to a single strategic principle: to draw Russia into the Asia Pacific and introduce a new regional dynamic that would give Japan more room to manoeuvre vis-à-vis China and the United States (Tōgō, 2014). He had two considerations behind his decision of involving Russia into the region: preventing China and India from vying for hegemony over the region in the twenty-first century, and getting involved in a love-hate triangle with China and the United States would be playing with fire (Funabashi, 1998). With Russia in the picture, the triangle becomes a square, which is apparently less tricky to manage (Funabashi, 1998). Meanwhile, the European and Oceanic Affairs Bureau of the Japanese Ministry of Foreign Affairs Ministry fleshed out Hashimoto’s Eurasian diplomacy and added one more issue to the Eurasian diplomacy, namely, ‘cultivation of closer ties in the so-called Silk Road region, or Central Asia, as an adjunct to Japan’s diplomacy with China and Russia’ (Tōgō, 2014).

2.1.2. Keizō Obuchi and His Focus on Asian Diplomacy

In July 1998, Obuchi replaced Hashimoto as prime minister upon the latter’s resignation. More importantly, Obuchi shared Hashimoto’s idea of Japan’s need for a strategy to ‘prevent Japan from becoming a casualty of the US-China rivalry’ while realizing the importance of not jeopardizing the Japan-US alliance (Tōgō, 2014). He continued to develop the Eurasian policy that had taken shape under Hashimoto, but within that Eurasian context, Obuchi’s own biggest strategic innovation was his focus on East Asia. This focus made it possible for Japan and South Korea to ‘set aside their historical differences and embark on a new era in Japan-ROK relations’, which is considered the number-one achievement of Obuchi’s Asian diplomacy (Tōgō, 2014). His second major achievement is the 1999 Japan-China-ROK trilateral summit, which grew out of the ASEAN Plus Three (10 members of the Association of Southeast Asian Nations plus China, Japan and South Korea) that took shape in December 1997 against the background of the East Asian financial crisis, but the trilateral summit was largely thanks to Obuchi’s persistence (Tōgō, 2014). The third accomplishment was China. Even though Japan’s Silk Road diplomacy made definite inroads during Obuchi administration, he had headed a mission to Central Asia in 1997 to promote dialogue with the region (Tōgō, 2014). In 1998, Obuchi launched the Silk Road Action Plan as a Japanese diplomatic initiative, which stipulated specific policy measures for the materialization of Hashimoto’s strategic vision (Murasashkin, 2019, p. 9). Under Obuchi administration, Foreign Minister Kōmura Masahiko visited Uzbekistan and Azerbaijan in May 1999, and Japan opened its first embassy in the Caucasus region (in Azerbaijan) in January 2000.

2.1.3. Yoshihiko Mori’s Brief Tenure and the Turn in Japan’s Eurasian Diplomacy

PM Mori succeeded Obuchi as prime minister in April 2000. However, due to the transparency issue of selection process, his tenure lasted only one year. Still, ‘this brief period prior to the dawn of the Koizumi jun’ichirō era was an important one from the standpoint of Eurasian diplomacy—specifically, Japan’s relations with Russia’ (Tōgō, 2014). At that time, Russia had its new leader Vladimir Putin, who further enhanced Russia-Japan relations. It is said that between April 2000 and March 2001, Mori and Putin met five times for Japan-Russia Summit talks in Irkutsk. Japan was moving toward a quantum leap in relations with Russia, while building friendly ties with South Korea and reaching out to the countries of Central Asia. This was ‘the thrust of Japan’s Eurasian diplomacy’ (Tōgō, 2014), but undoubtedly Japan’s priority was its immediate neighbourhood. It sought to build economic ties and promote practical cooperation with China, political tensions notwithstanding. Nevertheless, during the three LDP administrations, Japan’s presence in CA is secured through two initiatives: the one is the Official Development Assistance (ODA) for the region that provided grants, technical cooperation, low-interest and interest-free loans and other forms of financial assistance to the region and that ensured the supply of technological innovations to the region, and the other is secured through the active involvement of Japanese companies in the region.

Eurasian diplomacy continued to play an important and well-defined role in Japanese foreign policy right up until the birth of the Koizumi cabinet in April 2001, but the advent of the Koizumi administration, together with the 9/11 attacks, left ‘Japan’s Eurasian diplomacy in tatters’ (Tōgō, 2014). Japan’s relations with China and Russia deteriorated, and its budding friendship with South Korea stopped. Nevertheless, Koizumi managed to ‘build a strong relationship of trust’ with the US, and thus ‘the focus of Japanese diplomacy shifted back to the United States’ (Tōgō, 2014). In fact, Japan’s Eurasian diplomacy, while born amid an acute consciousness of China’s growing power, was never about devaluing the Japan-US alliance.

2.2. Japan’s Engagement Instrument and Policy Priorities Since 2004

In August 2004, during her visit to Central Asia, Yoriko Kawaguchi, the then Foreign Minister of Japan, introduced ‘Central Asia plus Japan’ Dialogue (CAJD) as the main instrument of Japan’s engagement with CA. Since then, the Dialogue has been playing an important role. With a proximately biannual frequency of gatherings, meetings at the Foreign Ministerial level represent the highest-level events under the frame of the CAJD, and meetings at the senior official level are of great importance for preparing the foreign ministers’ meetings and their ‘follow-up’ (Dissyukov, 2019). Apart from the ministerial level and senior official
level meetings, platforms such as the ‘Tokyo Intellectual Dialogue’ and the ‘Economic Forum’ are also organized within the framework of the CAJD. All these mechanisms aim to strengthen the bilateral relations between Japan and Central Asia.

It is said that the initial idea of the CAJD dialogue was based upon Japan’s productive cooperation with the ASEAN (Dissyukov, 2019). Since the independence of Central Asian republics in early 1990s, Japan established good bilateral relations with these countries, but in a narrow sense the CAJD dialogue was the first and only instrument for multilateral cooperation between Japan and the region. It was from that moment that Japan began to provide technical assistance and humanitarian aid and to promote economic relations with the newly established republics on the ‘help for self-help’ basis (Miyaizawa, 1992). Even prior to the launch of the Dialogue in 2004, Japan had initiated various ‘large-scale international conferences that were directly related to different challenges for Central Asia’s sustainable development’, and these conferences dealt with how to assist new independent states, nuclear testing in Kazakhstan and reconstruction in Afghanistan (Dissyukov, 2019). The report ‘Challenge 2001-Japan’s Foreign Policy Toward the 21st Century’ submitted by well-known Japanese scholars to the Ministry of Foreign Affairs in 1999 ‘highlighted the importance of strengthening the mechanisms of diplomatic frameworks, including the creation of new frameworks for building a safe and prosperous world’, and Japanese government established ‘numerous diplomatic frameworks for various organizations and countries’, but the CAJD dialogue turned out to be ‘the most acceptable solution’ for Japan (Dissyukov, 2019, pp. 4-5).

During his speech on the occasion of the Japan Institute of International Affairs Seminar ‘Arc of Freedom and Prosperity: Japan’s Expanding Diplomatic Horizons’ held on November 30, 2006, Foreign Minister Taro Asō said, the ‘value-oriented diplomacy’ and ‘the arc of freedom and prosperity’ are the ‘new bases’ and ‘new expressions’ for Japan’s foreign policy (MOF, 2006). Japan aims to add one new pillar upon the basis of the country’s foreign policy, which is ‘to strengthen the Japan-US alliance, as well as a strengthening of our relationships with our neighbouring countries, such as China, ROK, and Russia’ (MOF, 2006). The new pillar is to emphasise the ‘value-oriented diplomacy’ with a focus on the universal values including democracy, freedom, human rights, the rule of law and the market economy, and to design and create an ‘arc of freedom and prosperity’ based on a fact that there are ‘the successfully budding democracies that line the outer rim of the Eurasian continent, forming an arc’ (MOF, 2006). In a response to the possible doubts about Japan’s foreign policy’s smack of a Western approach and the country’s ‘virtuous conscience’, Asō said that what Japan needs is ‘to let go of that way of thinking that makes us squirm’ and ‘to be able to look at it without feeling ill at ease’ (MOF, 2006). Asō put much stress on an attitude without arrogance and servility and called on Japan to make an important step forward with regard to its foreign policy, adding that ‘Japan will no longer hesitate to state its views’ when it comes to ‘universal values’. Meanwhile, he said that his remarks represent ‘both a declaration of our qualifications and an expression of our determination’ (MOF 2006). According to Asō, one consideration behind Japan’s intention of helping build ‘the arc of freedom and prosperity’ is that Japan was looking to strengthen its cooperation with both the EU and NATO with the end of the confrontation between the East and the West and improving situations in the Arc countries. Another important rationale behind Japan’s enthusiasm for cooperation with the EU and NATO is that Japan perceives itself as like-minded and peer of them by nature and values the virtue of democracy, human rights and rule of law (Asō, 2006). The implicature of Asō’s speech is that these young democracies produce a tremendous amount of so-called ‘growth hormones’ at the beginning stage, during which ‘the impulse for destruction prevails’, and thus they can or need to be channelled towards creating systems which settle the society down. This is because both before and after the war, Japan also ‘went through many times in which the pendulum of events swung drastically, and it was a result of those experiences that she has arrived at the calm stability that she now enjoys’ (MOF, 2006). Having had similar experience from instability to stability, Japan may take the opportunity of creating ‘the arc of freedom and prosperity’ as a chance to help these arc countries and regions to establish democratic systems that may generate stability, peace and prosperity. Asō made a public commitment regarding the arc countries that ‘Japan will serve as an ‘escort runner’ to support these countries that have just started into this truly never-ending marathon [of democracy]’ and that the country aims to ‘usher in a world order that is tranquil and peaceful’ by assisting the countries as ‘they take these steps forward’ (MOF, 2006).

It should be noted that the new value-oriented move in Japan’s foreign policy was practically based upon considerable efforts and achievements made way before posing the concepts of ‘value-oriented policy’ and ‘arc of freedom and prosperity’. At the Arch Summit in July 1989, held before the fall of the Berlin Wall, the then Japanese government proposed to ‘provide large-scale financial assistance to Poland and Hungary’; in January 1990, right after the fall of the Berlin Wall, the then Japanese PM Toshiki Kaifu made good on that pledge by announcing financial assistance measures to these two Eastern European countries totalling 1.95 billion US dollars; in 1995, Japan provided 500 million dollars in financial assistance to Bosnia and Herzegovina (MOF, 2006). Meanwhile, Japan’s assistance to Asian countries was even bigger. In October 1998, Japan gave financial assistance to Korea and major ASEAN countries totalling 30 billion US dollars, and now these countries are considered as ‘champions of the arc of freedom and prosperity’ (MOF, 2006). At the Lyon Summit in 1996, Japan proposed three initiatives on Africa, three initiatives on development, seven initiatives on global issues and two initiatives on trade. Among others, the Partnership for Democratic Development (PDD) was proposed as one of the seven initiatives on global issues, and the very proposal aimed to ‘provide assistance for institutional building which is vital
for achieving democratic development in developing countries, in such areas as the legislative, governmental, electoral and mass media sectors (MOF, 1996a). Japan provided ‘concentrated assistance’ in establishing legal systems and judicial systems of the CLV countries (Cambodia, Laos and Vietnam), Mongolia, Uzbekistan and so forth as a part of the PDD, and even prior to the PDD Japan also provided tremendous assistance to Eastern Europe during the closing period of the Cold War (MOF, 2006).

All these efforts are regarded as Japan’s track record of its commitment toward the formation of the ‘arc of freedom and prosperity’. The CLV-Japan Summit and the Foreign Ministers’ Meeting of the CLV and Japan, the CAJD dialogue, and dialogues with the countries of the Visegrad Four (i.e., the Czech Republic, Hungary, Poland and Slovakia) are among the key meetings that have been convened by 2006. Japan has put much stress on dialogues with these countries and regions, the frequency of the meetings, and the connections between the neighbouring countries with a purpose of promoting mutual understanding. As the ‘arc of freedom and prosperity’ extends all the way to the Baltic Sea, Japan considers it critical to keep the development balance between countries along the arc belt and to stabilise the ‘GUAM’ countries (Georgia, Ukraine, Azerbaijan and Moldova) (MOF, 2006). In 2005, Ukraine, Georgia, Lithuania and Romania established the Community for Democratic Choice (CDC), whose objective is ‘quite straightforwardly the formation of stronger roots for democracy in the Baltic-Black Sea region as well as in the Caspian Sea area’, and Japan sees the opportunity to cooperate with the Community in the field of democratization (MOF, 2006). Essentially, Japan chooses and prefers to partner with countries who have the basic intention of improving their democratic process and who ‘are capable of partnering with Japan’ (MOF, 2006), and all these countries and regions along the arc belt are apparently in Japan’s vision.

To date, Japan and Central Asia have made ‘significant and noteworthy’ achievements, but there is still ‘untapped potential’ for the bilateral relations considering positive mutual perceptions, CA’s multi-vector diplomacies seeking to maximize the number of external players involved in the region, and Japan’s position of the second-largest Asian economy (Murashkin, 2019, p. 10). All these factors have indicated that Japan has a position in CA’s strategic landscape.

3. EU Central Asia Strategy and Its Engagement

The EU is pursuing a comprehensive strategy to Central Asia (CA). EU CA strategies pay much attention to and put much stress on value promotion, sustainable development, comprehensive approaches to CA regional and neighbourhood security and stability, benefit sharing, long-term outlook on governance and development. Chronologically, EU engagements in CA can be categorized into three phases: between 1991-2006, 2007-2013, and from 2014 to present. During the first phase from 1991 to 2006, the EU had neither well recognized geopolitical significance of CA nor proactively engaged in the region. At that moment, Eastern European countries did not join the Union, and thus CA seemed far away from its decision-making centre, Brussels. Except the three Baltic states (Estonia, Latvia, Lithuania) and its direct neighbour, Ukraine, the EU did not pay much attention to other post-Soviet states and regions at the outset. During the second half of 1990s, the EU signed Partnership and Cooperation Agreements (PCA) with Kazakhstan (1995), Uzbekistan (1996), Kyrgyzstan (1995) and Turkmenistan (1998), and all PCAs came into force in July 1999 with exception of EU-Turkmenistan PCA, which never came into effect. The PCA between the EU and Tajikistan was signed in 2004 and came into effect in 2010. These bilateral PCAs brought both sides much closer than before.

In 2003, European Commission first outlined European Neighbourhood Policy (EPN), which covers a wide range of neighbouring countries close to EU Member States’ territories. When Eastern European countries became EU Members in 2004, CA states was no longer so far away from the Union. In particular, major international events speeded up the involvement of the EU in CA and exerted much impact upon EU’s CA strategy. For instance, 9/11 and the Afghanistan War had decisive influence on changing the EU’s CA policies. Due to 9/11, the US prioritized its CA policies, which actually triggered much more international attention to the region. As terrorism directly threatens European continental security, the EU concerns much about stability and security in CA. Thus, security and instability become the most important factors of EU’s CA policies. Besides, 2004 enlargement, 2005 Colour Revolution, 2006 Russia-Ukraine tensions urged the EU to prioritize CA’s position in its external energy strategy. When the first Central Asian Strategy — European Union and Central Asia: Strategy for a New Partnership — was adopted in 2007, it marked an important milestone in the history of EU CA policies. The strategy was designed to upgrade the ‘very limited EU role’ in 1990s by giving ‘new impetus’ to the bilateral relations (Peyrouse, 2015, p. 3), and it marks ‘a real breakthrough’ in the interregional relations (Kassenova, 2008). The strategy was a mark of the second phase of EU engagement, which lasted until the enhancement of its relations with CA countries in 2013. During this phase, the EU has Development Cooperation Instrument (DCI) budget with 730 million euro, of which 66.6% fund is used for bilateral cooperation. Since 2014, the EU attempted to adjust and upgrade its CA Strategy. For the period 2014-2020, the EU has Development Cooperation Instrument (DCI) budget with 1000 million euro, of which 66.6% fund is used for bilateral cooperation. Apparently, the EU invests much in bilateral cooperation. Nevertheless, additional funding is available via EU thematic instruments such as the European Instrument for Democracy and Human Rights and the Instrument contributing to Stability and Peace (IcSP) (Boonstra & Panella, 2018).
Following its first systematic CA Strategy, the EU inaugurated Eastern Partnership in 2009 that covers Ukraine, Belarus, Moldova, Armenia, Georgia, and Azerbaijan. Thus, the EU has established connections with all the post-Soviet states. EU-CA relationship has been characterized in combination of value-oriented diplomacy and economic (aid) diplomacy. The 2007 Strategy indicates that EU’s strategic interests lie in promoting ‘a peaceful, democratic and economically prosperous Central Asia’ (CEU, 2007). Peace, democratization and prosperity are closely interrelated and highly interdependent goals, which have strong relevance to interregional security and stability. Particularly, thanks to EU enlargement, CA states become EU neighbours’ neighbours, which however increases the uncertainty of EU continental security. The 2007 EU CA Strategy also signals its official engagement and its strategic attachment to the region. It is believed that the Strategy ‘strengthens the perception of the EU as a political and even strategic actor in the region with its own agenda’ (Kassenova, 2008, p. 2). Nevertheless, Kassenova (2018, p. 2) argues, while maintaining a regional approach to issues requiring regional solutions, the 2007 Strategy throwing light upon individual needs and conditions of CA states encourages to develop more tailored policies towards issues better solved on a bilateral basis.

With regard to strategic interests in CA, the EU concerns much about energy resources and their supply security. As the EU is the 2nd largest energy consumer and importer, it has strong dependence on energy import. The particularity of energy problem lies in its indivisibility from political and strategic developments. Energy per se is a special commodity with strategic significance. Energy strategy means to develop political and economic relations with energy producing countries and energy transit countries. Therefore, energy transaction is not simply an economic deal. Energy strategy very often calculates economic interests and security risk of energy sources. In other words, energy problem is not only about market power but also about politics. Especially, when various international actors are involved in energy issues and disputes, the situation dealing with a wide range of areas including social development and national security becomes much complicated. Though as one of the world largest energy consumption markets, the EU faces serious scarcity of energy sources. This means that the EU very much relies upon external energy supply. The EU is highly dependent on energy import (oil and gas). Its major Members are also dependent upon oil import. Germany has much more dependence on oil import, and its natural gas reserves are limited. France faces the same situation. It is a strategic soft spot of EU development. In addition, the uncertainties in EU-Russia relations force the EU to seek for new partners, which explains EU’s strong intention of stabilizing energy supply through diversifying its energy sources. European Commission’s An European Strategy for Sustainable, Competitive and Secure Energy adopted in 2006, An EU Energy Security and Solidarity Action Plan of 2009, and Energy 2020: A Strategy for Competitive, Sustainable and Secure Energy of 2010 all have stressed the importance and necessity of diversifying EU’s energy supply sources. One main objective of EU efforts is to reduce its dependence on Russian energy supply and ultimately safeguard its energy security.

Meanwhile, energy has become an important policy instrument for the EU to pursue geopolitical stability as well as regional stability. A typical example is that European integration gets started with European Coal and Steel Community where founding members jointly control over energy field, which eventually makes European geopolitical stability possible. As energy is playing a crucial role in national and international strategies, it becomes an objective of the EU’s external energy strategy. The US has a dominant control over oil production in Middle East, and Russia possesses majority of natural gas resources, so CA energy resources is of great strategic significance for neighbouring countries and regions, not least for those who need stable energy supply. Besides, political stability is an important factor regarding energy security and regional stability, and the EU promotes democratic values towards CA countries for the purpose of creating political stability in the region on the long run.

The EU insists that normative institutions of energy producing countries and transit countries are playing key roles in ensuring its energy supply security (Youngs, 2007). To this end, the EU has launched various initiatives. EU regional initiatives in Central Asia include Rule of Law Initiative, Water and Environment, and Education (Boonstra & Panella, 2018). The current formats of cooperation between the EU and Central Asia include the EU-Central Asia ministerial meetings, the Cooperation Councils with the individual countries, the High Level Political and Security Dialogue, the EU Special Representative for Central Asia, etc. These initiatives and platforms are instruments for the EU to safeguard its interests in Central Asia. In order to ascertain energy security, the EU has made efforts to establish and institutionalize energy cooperation mechanism with CA countries, such as Transport Corridor Europe-Caucasus-Asia (TPACECA), Interstate Oil and Gas Transport to Europe (INOGATE), and Baku initiative. Besides, there are regional policy (The EU and Central Asia: Strategy for a New Partnership), Extractive Industries Transparency Initiative (EITI), etc. According to Zhou and Li, the purpose of the EU’s promotion of institutional norms is to build up a common energy market, which creates a reliable energy transportation system to ensure energy security, which in turn will increase the EU’s geopolitical influence and advantages that will further enhance promotion and exportation of its institutional norms (2012, pp. 68-9).

To advance its engagements and safeguard its strategic interests, the EU has adopted various policy instruments. With the implementation of the 2007 CA Strategy, the EU has inspirations to upgrade its relations with CA states. First of all, the Delegations of the European Commission were transformed into the Delegations of the EU in CA states. The EU transferred its Delegation in office to Astana (capital city since 1997) from Almaty (former capital), where it opened its first Delegation to Central Asia in 1994. In 2009, as the Lisbon Treaty came into
effect, the EU increased its diplomatic relations with CA states. The Delegations of the European Commission to Kyrgyzstan and Tajikistan were transformed into the Delegations of the European Union. Later on, the EU opened its Delegation to Uzbekistan in 2011, but with regard to Turkmenistan the EU only shows its presence through a Liaison Office in Ashgabat. In July 2019, EU-Central Asia Forum took place for the first time in Bishkek. Meanwhile, the 2019 EU strategy for CA is a rich policy document that builds on the experience gathered over the past 12 years since the initial 2007 strategy and that has benefitted from input from EU member states and Central Asian governments, as well as European and Central Asian civil societies (Boonstra, 2019a).

4. Why the EU and Japan Are Less Geopolitical

The essence of geopolitics is how geography both shapes and restricts the range of choices available to nation-states, which in turn can demonstrate geography’s dynamism (Wimbush, 2020). Admittedly, history has shown the dynamic nature of CA region, and either geopolitical competition or geopolitical ambition centres around how many choices are available for those forces involved in the region.

As Japan and the EU share views on a number of matters in CA, there are potentials for mutual cooperation. For instance, Japan and the EU can co-fund the same projects (e.g. training programmes for young professionals), make joint policies or strategies under the frame of joint fund, establish cooperation via a hybrid approach of financial and technological assistance and so forth. Additionally, both Japan and the EU have interests in cooperating with regional blocs (e.g. Central Asia as a regional bloc), so they can work in synergy via their regional approach. For Japan, ASEAN–Japan relationship is usually considered to be a very successful example of good cooperation between Japan and regional blocks, which is an implicit driving factor behind Japan’s intention of engaging in CA.

Meanwhile, Japan and the EU share some similarities that prevent them from becoming major geopolitical actors in the traditional sense.

(1) CA is not the top priority neither for the EU nor for Japan as their most important interests lie in their own neighbouring areas. As the EU has greater interests and more urgent developments in its immediate neighbourhood, CA has always been a lower priority area (Sahajpal & Blockmans, 2019) and even ‘is not (and is unlikely to become) a priority for the European foreign policy’ (Boonstra, 2019a). Likewise, Japan’s priority is its immediate neighbourhood and the US, and thus CA ‘has not yet achieved the status of main trading partner of Japan’ (Mangi, 2011, p. 1). For Japan, the strategic and geo-economic value of CA is acknowledged but ‘comparatively lower than in other Asian subregions, such as Southeast Asia’ (Murashkin, 2019, p. 5). On the other hand, even though CA is not EU’s top priority, the EU has awoken to the reality that strategic connectivity in Eurasia is a geopolitical competitive advantage in the 21st century. The EU made its new Connectivity Strategy and put much stress on sustainability, respect for labour rights, a level playing field for businesses, etc. The Union is now grappling to lead the Eurasian community in setting standards for global governance, sustainable financing and transparent agreements. In doing so, the EU still desires to set an example as a normative power actor.

(2) Both the EU and Japan are geographically remote from CA, which creates barriers for their access to the region. Geographical remoteness limits the involvement of Japan and the EU. While the EU has to rely upon Russia regarding the transports of natural resources, Japan has much dependence on both Russia and China. This insinuates that the EU and Japan may have stronger potential to cooperate in the ‘low-politic’ areas, which are less influenced by geographical barrier. In fact, geographical remoteness has its merits and demerits. On the one hand, it holds back the EU and Japan from close involvements in the region; on the other, CA states have good impressions on both actors as they are not considered geopolitical threats to the region. Thus, Japan ‘aims to use its distance from Central Asian region to gain a competitive advantage: it attempts to position itself as a neutral mediator for CA states by suggesting that its distant geographic location prevents it from dominating and exploiting CA states’ (Dadabaev, 2018, p. 33).

(3) Both the EU and Japan shows much more interest in geo-economic interests rather than geopolitics. The CA mineral wealth and its geo-strategic location have attracted the neighbouring and outside actors for influence, which is known as ‘The New Great Game’. The US, Russia, China, Iran, Pakistan, Turkey and India are the main actors of this ‘game’ who are struggling for influence in CA and trans-Caucuses. The game is centring around regional petroleum politics, where pipelines, tanker routes, petroleum consortiums, and contracts are the prize of the new great game (Mangi, 2011, p. 8). While worrying about the consequences of the game, Japan is not engaged in this game politics as the country cannot afford the destabilization of CA, which is also in line with what former ambassador of Japan to Uzbekistan and Tajikistan Akio Kawato said, ‘Japan is mainly interested in peace and security in the region’ (Mangi, 2011, p. 8). Meanwhile, it should be avoided to look at international relations only through the lens of geopolitics. While the interests of various actors may be in conflicts, this does not necessarily mean they are against each other. Take CA natural resources as an example. Most external forces usually cast their covetous eyes on Central Asian natural resources, but it’s not necessary to regard each other’s presence as a threat as Central Asian states will not put all their eggs in one basket. Thus, as Murashkin (2019, p. 40) points out, Japan’s presence in CA should not be viewed exclusively through the lens of China’s advances while Russia and China loomed large in the formulation of Tokyo’s foreign policy in CA. Moreover, as CA countries ‘...want to be sovereign and independent from external influences’ (Esengul, 2009, p. 131), no single external power can play overwhelmingly decisive and dominant roles in the region.
(4) Both the EU and Japan prefer soft-power approach and share certain soft-power credential, which creates relatively good images of themselves in CA states. The main focus of Japan’s policy towards CA is economic support and cooperation in the area of natural resource development, but little mutual understanding between the two sides exists at the level of civil societies (Mangi, 2011). According to Len (2008, p. 46), 'Japanese efforts to encourage the Central Asian leaderships and to help the region develop links with the rest of the world, beyond Russia and China, should be acknowledged as a significant contribution by this Asian nation and be supported.' Considering the very loose intensity of people-to-people interactions, there is a huge space for both Japan and CA countries to promote mutual communications, which could be positively supplementary to the Japan-CA economic relations. Basically, the advantages that Japan has in CA include its 'robust soft-power credentials', 'an extremely positive image', and its 'more cooperative or at least non-engaging' stance on the continental dimension (Murashkin, 2019, p. 40).

(5) The US is always the first important partner for both the EU and Japan, and this may exert some impact on the engagements of the EU and Japan in CA. According to Paramonov and Puzanova (2018), Japan’s Eurasia policy is ‘inconsistent’ and ‘is likely to remain so because the cause behind it remains unchanged – that is, the contradiction between Japan’s actual economic interests and its willingness to follow in the ideological and geopolitical footsteps of the U.S.’ In this sense, the US is perceived as a factor that causes the inconsistency of Japan’s CA policy. Besides, as Japan officially uses Western-style language of ‘universal values,’ ‘democracy,’ ‘market economy,’ ‘human rights’, etc., it is frequently interpreted as a way of Japan’s promotion of US-supported policies and models instead of presenting its own norms (Azizov, 2011, p. 59). Nevertheless, this argument is not justifiable because these values are universal and Japan also has the willingness to safeguard CA regional security via democratisation. Likewise, the EU and US have some common sense regarding CA, though they do have divergent views on how to approach the region.

5. Conclusion

Central Asia involves multiple international actors with multiple interests. Thus, multilateral approaches could be the desirable ways to achieve strategic objectives of actors active in the region. Any attempts to surmount Mackinder Paradox will probably be in vain. This is not only because no single actor can bridge the gap between limited national capability and ambitious strategic objectives, but also because CA countries dare not put all their stakes on any single actor alone. Consequently, the situation urges CA countries to establish and keep balanced external relations with all the actors.

Considering the current dynamics in Eurasia and the fact that China and Russia are old powers in CA and still very active, Japan may prefer diversified foreign policies. Japan’s foreign policy turn towards ‘value-oriented diplomacy’ in 2004 has actually shown the hint of its potential policy preference. In this regard, the EU is Japan’s ideal partner. To achieve progress on mutual cooperation in CA, Japan and the EU face various challenges. Some challenges need to be met through joint efforts of Japan and the EU along with their CA partners, some through unilateral endeavours, and the others through multilateral efforts. But both the reality in CA and the nature of these two actors can justify their joint involvement in the Eurasian picture.

Meanwhile, how to perceive Eurasian cooperation is another important factor that international players need to take into consideration. Parag Khanna, author of The Future is Asian, highlighted in his speech, ‘It is very dangerous to view Asia only through the prism of China, because that not only betrays history, it also sets up a very dangerous self-fulfilling prophecy. Cooperation between Europe and Japan such as what you are marking today is a step towards making sure that that doesn’t happen.’ Khanna’s message is clear that Europe-China cooperation cannot be perceived as the equivalent to Europe-Asia cooperation as Asia, Central Asia in particular, is a complex region where various regional and international powers get involved. In other words, the prism to view Asia needs to be diversified, and regional (small) powers should be taken more seriously as they matter a good deal when it comes to geopolitics.

Last but not the least, this article has not covered the coronavirus pandemic and its impact on foreign policies of Japan and the EU. This is not because the pandemic does not affect their foreign policies. Instead, the author believes that the pandemic will not fundamentally change Central Asian policies and strategies of both Japan and the EU. Nevertheless, it is of great importance to be on alert for the potential manipulations in international cooperation against the backdrop of the pandemic, particularly in the politically less stable areas like Central Asia.

References


Uzbekistan in a New Role?
Mirziyoyev’s Policy of Opening

Gyene, Pál

Abstract
In our present study we attempt to evaluate the reform process ongoing under the presidency of Shavkat Mirziyoyev. We hope that the almost four years that have passed since the succession of the President already offer a sufficient period of time to draw conclusions about trends beyond day-to-day politics in terms of the basic direction and depth of reforms. We also tend to cover certain domestic political aspects of the Mirziyoyev presidency in the study, while we intend to devote more space to foreign policy of ‘opening up’. The process of liberalization (not democratization) in the domestic political field - especially in the current crisis caused by the current coronavirus epidemic - is, in our view, easily reversible and fundamentally had little effect on the ‘deep power structures’ of the authoritarian Uzbek political system. In contrast, the foreign policy of opening could fundamentally change the dynamics of regional competition and cooperation in post-Soviet Central Asia.

Keywords
Uzbekistan, foreign policy, neighbourhood policy, regional leadership
1. Introduction

1.1. The Relevance of Analysing Mirziyoyev’s Reforms

The author of the present paper has given the following summary of Uzbekistan’s position in an article published in the Hungarian Foreign Policy Review journal (Gyene, 2017a).

Uzbekistan with its population of some thirty million is the most populous country and has the strongest military power in post-Soviet Central Asia. Within its borders the most outstanding ancient cultural centres of the region can be found; Tashkent was the capital of the Turkestan Chief Government in the period of tsarism, as well as in Soviet times; later it developed into the main administrative and logistical hub of Soviet Central Asia. Thus, among the Central Asian republics, besides Kazakhstan, it is probably Uzbekistan that has the best chance of being seen as the regional leader (Gyene, 2017a, p. 72).

However, it seems that in the first 25 years of the country’s independence, this potential was mostly untapped, at least under the presidency of Islam Karimov. There is a general consensus among analysts that under President Karimov, Uzbekistan was basically a police state, and his regime is regarded as having been one of the most repressive political dictatorships in the world (Collins, 2006; Kangas, 2002; Melvin, 2000; Fierman, 1997). The Karimov government was seen as Draconian as regards its foreign affairs, even by Central Asian standards, and conducted a rather isolationist policy: similarly to Turkmenistan, the country made every effort to keep a distance from regional integrations that might possibly endanger its sovereignty; it preferred bilateral interstate relations rather than multilateral cooperation (Asiryan, 2019).

Although the first president’s often repeated ‘multi-vectoral’ foreign policy had its unquestionable successes, primarily in maintaining the regime’s stability as Karimov’s top priority, by the last years of the late president’s rule the country had become rather isolated in the international arena. Its relations with the superpowers had deteriorated: with the USA there was a clear freeze from 2005 onwards, following the Andijan massacre, and with Russia from 2012 when Karimov get Uzbekistan to leave the Collective Security Treaty Organization (CSTO). In addition, Uzbekistan’s relations with all its neighbours were very tense, in particular with Kyrgyzstan due to borderlands and enclaves along the borders (Baumgartner, 2017), as well as with Tajikistan primarily due to the rivalry in water sharing (Hammond, 2018).

Savkat Mirziyoev, following the 2016 death of President Karimov, was typically seen as a weightless transition figure, or even as a puppet of National Security Service’s head, Rustem Inoyatov. Shared by the author of the present paper (Gyene, 2017), analysts’ general assumption was that in his exercise of power, the new head of state would represent continuity with the Karimov regime (Tisreteli, 2018; Abdurazakov, 2016; Marat, 2016). It has to be admitted that both hypotheses have proved to be mistaken. Politically, Mirziyoyev has turned out to be a surprisingly autonomous actor ready to innovate. Shortly after assuming power, not only did he successfully consolidate his own personal power, but also began introducing wide-ranging reforms to the Karimov system.

The present study intends to offer an overall assessment of Mirziyoyev’s reform process. It is hoped that the nearly four year-time spans since the presidential succession offers the right perspective to be able to draw valid conclusions beyond daily politics concerning the basic trends, direction and depth of reforms. The paper intends to devote more space to Mirziyoyev’s ‘opening’ in the field of foreign policy, although certain aspects of internal politics will also be considered. The internal liberalization (not democratization) in the international crisis situation created by the Corona pandemic is easily reversible, and it seems that it has had little impact on the deep ‘power structures’ of the authoritarian Uzbek political system. In contrast, the program of foreign political opening may fundamentally transform the dynamics of regional rivalry and cooperation in post-Soviet Central Asia.

1.1.1. Mirziyoyev’s Presidency: Power Consolidation and Limited Liberalisation

Several analysts had predicted chaos and a possible political landslide following the death of President Islam Karimov – which actually happened sometime between August 27 and September 2, 2016 – thanks to the ‘personality-centred’ character of the regime (Doody, 2019; Abdurazakov, 2016; Snow, 2016). However, as testified by the events of the past years, presidential succession in Uzbekistan, in the same way as in Turkmenistan and Kazakhstan, was a remarkably smooth process.

There were no hitches in the succession process, although unlike in Turkmenistan but similarly to Kazakhstan – Mirziyoyev had to consider his predecessor’s ambitious daughter as a possible rival: It is clear though that Karimov’s older ambitious daughter as a possible rival: It is clear though that Karimov’s older

1 Uzbekistan is one of the few countries that are not members of the World Trade Organisation, yet (Xinhua.net, 2019). After long drawn-out negotiations, the country has no more than observer status in the Eurasian Economic Union (Hashimova, 2020a). Similarly, in 2012 they withdrew from the Collective Security Treaty Organization (CSO), moreover this happened for the second time, as in 1999 they had suspended membership in the organisation, then re-entered again in 2005 (Litovkin, 2012).
daughter Gülnara was politically a more weightless character than Dariga Nazarbayeva's. She was placed under house arrest on corruption charges when his father was still alive, but it is assumed that her detention was also due to her contact with organised crime and her scandalous private life. In 2019, after five years of house arrest, for reasons still unclarified, she was transferred to prison. According to the latest news, in a closed trial the court sentenced her to thirteen years in prison on charges of money laundering and other financial misconduct, while the Uzbek government is trying to get hold of her assets kept in Swiss bank accounts (Putz, 2020a).

In the inner circles of the Uzbek regime, Rustem Inoyatov was seen as a far weightier figure than Gülnara Karimova. Inoyatov was the omnipotent head of Karimov’s secret service, who, after the president’s death in 2016, was widely regarded as the actual ‘kingmaker’ (Marat, 2016). Incidentally, most analysts saw Inoyatov behind Gülnara’s removal from the circles of power (Настоящее Время, 2019). Ironically, some eighteen months after Mirziyoyev had taken over, he made the previously allmighty Inoyatov resign from his post, which appears to have been a decisive step towards the lasting consolidation of his own personal power (Eurasianet.org, 2018). Since February 2018, the Attorney General has been replaced three times, and in March 2019, 1200 officials, mainly cadres of the former Karimov/Inoyatov era, were dismissed from the Attorney’s Office (Eurasianet.org, 2019).

As we have seen, the period following Mirziyoyev’s takeover was far from free from major political purges. On the other hand, since the new president took office, spectacular gestures have been made, signalling political liberalization, as well as probably more profound reform measures, especially in the economy. Between September and December 2016, he gave amnesty to several thousand convicts (RFE/RL, 2017), with such political prisoners among them as the journalist Muhammad Bekyanov, who had been in prison since 1999 (Doody, 2019). The blockade of several human rights groups’ webpages and news sites was lifted, although Radio Free Europe/Radio Liberty, financed by the American administration, continued to be a notable exception (Bloomberg, 2019). According to Reporters Without Borders, the current Uzbek regime leaves far more room for media freedom than did the previous regime, opposition media have the possibility to give accounts of such sensitive issues as government corruption, and foreign journals are allowed to enter the country (Reporters Without Borders, 2020). In addition, in February 2018, it was generally made easier for foreigners to visit the country (citizens of as many as 65 states, including Hungary, may travel to Uzbekistan as tourists without a visa for no longer than thirty days), and exit visas were abolished for Uzbek nationals, a cumbersome administrative duty left over from Soviet times (Putz, 2019a). Paradoxically, the ‘internal passports’ (so-called propiscas), also inherited from the Soviet Union, are still in use, hindering the mobility of the population and labour, and thereby blocking economic liberalization (Seitz, 2020).

In its economic liberalization, the Mirziyoyev government has achieved considerable successes, as well. As a long-awaited measure, in September 2017 the som, the Uzbek national currency was made convertible. On the flip side, this move was associated with a large-scale devaluation. (The exchange rate of 1 dollar jumped from 4,000 to 8,000 soms.) For the Uzbek banking system, the need for the suddenly increased demand for cash was a major challenge, but the currency reform was a hard blow primarily for the black market (EurasiaNet, 2017a). At present, the longer-term positive outcomes of the reform are more tangible: unlike earlier, a tourist can now exchange US dollars or euros in any Uzbek city’s banks, moreover, they can use their foreign bank cards or freely draw money out of ATMs, which was not possible before.

In June 2019, Uzbekistan obtained a 500 million dollar credit from the World Bank, which however was conditional on a strong reduction of the practice of widely used forced labour in the cotton sector, the backbone of the national economy (Doody, 2019). Child labour in the cotton fields had been theoretically banned in 2014 under President Karimov. Between 2017 and 2020, the huge state-run cooperatives that had dominated the cotton sector were almost fully privatized, while quotas for mandatory delivery to the state together with centrally fixed buying prices were stopped. Nevertheless, according to a 2019 report by the Uzbek Forum for Human Rights (a Berlin-based Uzbek human rights organisation) the practice of forced labour had still not been fully eliminated (Uzbek Forum for Human Rights, 2019).

It needs to be added that privatization extended beyond the cotton sector. In 2010, the Mirziyoyev government announced the privatization of 240 companies, thus intending to reduce the number of state-run businesses by about 50 percent. (Zakirov, 2019). Foreign working capital investments have nearly quadrupled since the start of the privatization wave (The Economist, 2019a). Thanks to the spectacular successes of liberalization, in its annual report, The Economist awarded the ‘Country of the Year’ to Uzbekistan as the most improved country in the world in its political and economic reforms (The Economist, 2019b).

---

1 Although due to the power games of her husband (the late Rahat Aliyev), Dariga Nazarbayeva also temporarily fell out of her father’s favour, after Nazarbayev resigned in March 2019, she was promoted to be the Chair of the Senate (the second chamber of parliament) of Kazakhstan, and thereby according to the constitution, effectively became the deputy to the then still acting president Kasim Jomart Tokayev. The latest news is that in May 2020, Tokayev had Dariga removed from the position of being the Chair of the Senate (Putz, 2020b). Seeing what was happening behind the scenes of the Kazakh political system it is not easy, but not impossible that the same will happen in the Uzbek regime, since Tokayev, originally seen as a temporary puppet figure, is also removing his predecessor’s family from positions of power, although he may be using somewhat softer methods.

2 In the middle of the first decade of the 21st century, 60 percent of Uzbek cotton was still delivered by the state cooperatives called shinkat. In principle, peasants had a share in them, but due to low state buying prices, most of these cooperatives were making a loss in practice. The state has the right to make it compulsory even for private farmers to grow cotton, and in the case of insufficient yields, may go as far as to take back the land. It used to be general practice that during the cotton harvest schoolchildren and state employees were ordered to work without payment in the cotton fields (International Crisis Group, 2005).
The undisputed Uzbek economic and – to a lesser extent – political liberalization was not automatically associated with the democratization of the political system. More specifically, the Uzbek party system has not become considerably more competitive since Mirziyoyev’s takeover. Since 2016, no new party has been registered, and none of the parliamentary parties would have the courage to define themselves as ‘oppositional’, since they all support the president.6 No new actors have emerged in parliamentary elections either: in 2019 the same presidential parties entered the parliament as in 2014 (Putz, 2020c). Despite the large-scale political purges, the Uzbek political system is hardly less corrupt or nepotistic than earlier: the presidential administration and the presidential guard, which has key security functions, are headed by Mirziyoyev’s two sons-in-law, Oybek Tursunov and Otabek Sahanov (Doody, 2019). Moreover, the president’s daughter Saida Mirziyoyeva has also been given a political role. She is at the head of the Public Foundation for Support and Development of National Mass Media entrusted with building Uzbekistan’s ‘country image’ (Hashimova, 2019a). Although many political prisoners were released during the 2016 amnesty, and in August 2019 Mirziyoyev had the most notorious prison colony in Jaslyk in Karakalpakstan closed, there are still numerous reports of grave human rights violations, such as torturing detainees (Leonard, 2019). In conclusion, ‘at the very best’ the Uzbek political system has shifted towards a ‘free-market authoritarianism’, in many ways resembling the Chinese party state and Putin’s illiberalism (Zakirov, 2019). The reforms have hardly changed the Uzbek political system’s authoritarian and clan-based deep political structure, what is more, reforms cannot be regarded as irreversible either. Therefore, it seems that Mirziyoyev’s program of opening has more tangible and more far-reaching consequences externally than internally.

2. Mirziyoyev’s Opening: the New Neighbourhood Policy

Compared to the Karimov regime, the most noticeable paradigm change with President Mirziyoyev is in his Central Asian regional and neighbourhood policy. In his first year in office, he visited every neighbouring Central Asian republic’s capital (Asiryan, 2019), including the notoriously isolated Turkmenistan. In March 2017, in the course of the meeting in Ashgabat between President Mirziyoyev and Turkmen President Berdimuhamedov, they signed a number of bilateral agreements, primarily concerning energetics, trade and transport, and when visiting the northern Turkmen province of Lebap, they inaugurated a new bridge on the Amu Darya, the border river between their countries (Putz, 2017).

In long-term dynamics, the strengthening Uzbek-Kazakh cooperation seems even more significant than links with Turkmenistan. As noted in the introduction of this paper, these are the two countries that seem to have the best chance of assuming regional leadership: While Uzbekistan is weightier in terms of its population and military power, Kazakhstan is much larger, and economically it has considerably outperformed Uzbekistan over the past decades.7 All this would not automatically lead to rivalry between the two countries, although under Karimov’s rule relations were reserved at the very best: Under his presidency Uzbekistan would repeatedly close down its border with Kazakhstan for long periods, and their cooperation within regional organisations was also very limited, mostly because Uzbekistan usually stayed away.8

In March and April 2017, however, Mirziyoyev paid two visits to Nursultan Nazarbayev, the then president of Kazakhstan. In the course of their first meeting in Astana (the city that has since been renamed after the first president Nur-Sultan), Nazarbayev greeted warmly his ‘colleague’, the president of a country that is a ‘brother’, and according to a EurasiaNet report, they signed as many as 92 bilateral agreements, primarily concerning trade between their countries (EurasiaNet, 2017b). In April, they decided to reopen a border crossing station in Saryagash, a little town an hour’s drive away from Tashkent. The reopening is not so much to facilitate trade as to shorten the route between the Uzbek cities of Tashkent and Samarkand by allowing transit (EurasiaNet, 2017c).

Progress in the relations with two other neighbours, namely Kirgizstan and Tajikistan has been even more considerable, because under the Karimov regime the tension sometimes went as far as the eruption of open enmity. The Uzbek minority in the southern provinces of Kirgizstan (primarily in Osh and Jalalabad) repeatedly suffered ethnic cleansing, for example, in 1990 and 2005. Karimov saw the two poorer and considerably less stable countries than Uzbekistan primarily as potential sources of security threats. This view was certainly not unfounded, as we should remember that around 2000 there were armed incursions into the territories of Uzbekistan by the Jihadist Islamic Movement of Uzbekistan (IMU) coming from the poorly guarded Kirgiz border sections. In retaliation, the Uzbek air force bombed Kirgiz areas, and Karimov’s characteristic reaction was having landmines laid in the Uzbek-Kirgiz (and Uzbek-Tajik) border areas (Wagner, 2013).

---

6 In 2008, President Karimov himself condemned these parties because based on their programs it was hardly to make a distinction between them. Similarly, to their role in the Chinese party state, in addition to lending the semblance of political pluralism to the Uzbek political system, official parties may perhaps be best interpreted as a type of organisation of social advocacy. In the strictest sense, besides the Liberal Democrats’ presidential party, Adolat (Justice) is supposed to represent pensioners, and Milli Tikitanah (National Rebirth) intellectuals. Earlier there used to be also the separate Fidoklar (Altruists) youth party, and Vatan Tanakati (Progress for Fatherland) for businesspeople and entrepreneurs (Gyene, 2017b).

7 In the early 1990s, according to official statistics, Uzbekistan’s GDP per capita was higher, but Kazakhstan soon outdid its southern neighbour (by 1997 the latest) because of its impressive economic growth based on exporting raw materials at increasing prices. It should be added that the 2014 drop in oil prices and the trade embargo against Russia hit the national economy of Uzbekistan to a lesser extent than that of Kazakhstan (World Bank, 2020).

8 The only regional organisation that both countries were members of in the Karimov era was the China and Russia dominated Shanghai Cooperation Organization (SCO), which Uzbekistan joined in 2001. Thus, Uzbekistan was already a founding member of the SCO but did not attend the meetings preceding the “Shanghai Five” (China, Russia, Kazakhistan, Kirgizstan and Tajikistan) (Bailes & Dunay, 2007). Since Mirziyoyev entered office, in addition to the SCO, Uzbekistan has joined the Turkic Council as well. Of this, see more details in this paper.
On top of all these conflicts, Uzbek-Kirgiz relations were further aggravated by serious disputes over the common border. Because of disagreements over land rights, after gaining independence the exact demarcation of country borders did not happen. The 1300-kilometer long Uzbek-Kirgiz border had at least 36 contested stretches. The most neuralgic points were the four major exclaves within Kirgiz territories (Sokh, Shohimardon, Jani-Ayil, and Chon). This is exemplified by the case of Sokh, the largest Uzbek enclave: the area has some seventy thousand inhabitants, mostly ethnic Tajiks living in 19 scattered settlements. The road connecting the enclave to the closest Uzbek town of Rishton is usually blocked by the Kirgiz army. In August 2019, the road was thrown open, but within six days the Kirgiz authorities had it closed again, referring to their border control obligations as members in the Eurasian Union. The frustrations of Sokh inhabitants often leads to armed conflicts with the Kirgiz inhabitants of neighbouring villages; most recently there were clashes in June 2020 arising out of a dispute on territorial rights. It is reported that this grave conflict may have caused injuries to as many as several hundred people. Uzbek Prime Minister Abdulla Aripov flew to the scene in order to pacify the locals (EurasiaNet, 2020).

When paying a visit to Bishkek in October 2017, Mirziyoyev agreed with the Kirgiz head of state Almazbek Atambayev on putting an end to their border disputes. As a result, they managed to demarcate more than 85 percent of the border, while agreement on another 200 kilometres and on the future of the enclaves has still not been reached. However, following the new Kirgiz President, Sadyr Japarov had paid visit in Tashkent March 25, Kirgiz and Uzbek officials announced that ‘Issues around the Kyrgyz-Uzbek border have been resolved 100 percent.’ and the two sides signed a protocol on the final delimitation and demarcation of the Kyrgyz-Uzbek border. Nevertheless, much work remains ahead to realize the agreement on the ground: inn particular, continued Uzbek use of reservoirs on Kyrgyz land, e.g. the Orto-Tokoi reservoir, which has been at the center of heated debate for decades (Putz, 2021).

At the same time with settling Uzbek-Kirgiz border disputes, demarcating the equally problematic Uzbek-Tajik border faces similar problems. Here it is an added difficulty that the mine fields that Karimov ordered to be laid also have to be cleared (along the Kirgiz border demining was completed by the middle of the 2000s). The actual demining, that had been announced in 2005 and again in 2008, was started only after Karimov’s death. Mirziyoyev’s official visit to Dushanbe in March 2017 was reciprocated by President Emomali Rahmon travelling to Tashkent in the August of the same year. This was the first time after 17 years that a Tajik head of state had visited the Uzbek capital. Following the negotiations between the two heads of state, it seemed that in October 2018 the winding up the mine fields would eventually start, and if the Uzbek announcement was trustworthy, by the end of 2019 demining should been completed (Putz, 2020d). Nevertheless, several open questions have remained in the Uzbek-Tajik relations and the demarcation of borders, such as the case of the Farkhad Dam and the power station on the upper stretch of the Sirdaryo River on the Uzbek-Tajik border. The power station is operated by the Uzbek Uzbekenergo state-run company, while the dam that supplies is located in Tajik territory (Putz, 2020d).

Talking of water works, it should be noted that relations between the Karimov and the Rahmon regimes were not without conflicts, although Karimov had offered Uzbek military support at the critical stage of the Tajik civil war in 1992-1993. It was serious disagreements primarily concerning on how water should be shared that overshadowed their cooperation. Kinga Szálkai gives a more detailed and more profound analysis of the problem (Szálkai, 2016) than the scope of the present paper. Let us select only one pertinent example, namely that of the Rogun Dam, where the tension between the two countries culminated. Construction of the dam system on the River Vakhsh some 110 kilometres off Dushambe had started in 1976 in the Soviet period as a prestige investment (The dam was originally designed to be 335 meters tall, the tallest in the world). Tajikistan, a country poor in energy, would need the dam and the related hydroelectric power plant in order to supply with energy the capital, as well as the Tursunzoda aluminium smelting plant, also located along the River Vakhsh. Although this investment is vital for the economy of Tajikistan, its implementation has been slow for both financial and technical reasons. Its construction has been repeatedly halted: last time in 2012, and only with Chinese assistance could it be resumed in 2017. Uzbekistan was against the project because it worried that its supply of drinking and irrigation water would be affected. On several occasions, President Karimov opposed the investment vehemently, in 2012 going as far as threatening Tajikistan with war in his rather brutal style (Hammond, 2018).

In this light, it was a genuine surprise that following the bilateral meetings between Mirziyoyev and Rahmon, the latter seemed more flexible in the issue of water sharing. The openness is suggested by Uzbek Foreign Minister Abdulaziz Kamilov’s statement on 5 June 2018, in which he made it clear that if the Tajik party was offering suitable [water sharing] guarantees, the Uzbek government would no longer oppose the investment (Hammond, 2018).

Closer Uzbek-Tajik cooperation in future would have a wider scope in one more strategic direction: both states have a strong vested interest in peace in Afghanistan. Relative peace in Afghanistan is vital for Tajikistan, as we should remember that the Tajik civil war in the early ‘90s may as well be interpreted as the spillover of the Afghan crisis to Tajik territories: the main supporters of the Tajik Islamist opposition were the Tajik mujaheddin warlords in Afghanistan. When the Taliban took over control, Uzbekistan got involved in the civil war in

---

The exclaves are the products of the delimitations in the Stalin era. Obviously, before the disintegration of the Soviet Union, borders between internal republics were far less significant than after the republics had gained their independence. The exclaves noted here are wedged into the Batken Province of Kirgizstan. At the same time, in the easternmost corner of Uzbekistan, near Andijon in the Ferghana region, there is Barak, a relatively bigger Kirgiz exclave, while two Tajik exclaves are located in Uzbekistan (Sarvan) and Kirgizstan (Voruk) (Baumgartner, 2017).
Afghanistan, admittedly, not as directly as Tajikistan. Even though the conflict did not spread to the Uzbek state, the Karimov regime was an active supporter of the forces of the ethnically Uzbek General Dostum, one of the main pillars of the Taliban’s opposition. Beyond vitally important considerations of security policy, for Uzbekistan’s energy and transport infrastructure as well, it would be ideal to have a more secure and more peaceful Afghanistan than at present. Two of these projects are as follows: the first is helping Afghanistan extend the railway line between the towns of Hairatan and Mazar-e-Sharif at least as far as Herat, thus establishing the shortest overland route from Uzbekistan to a sea port (Hashimova, 2019b); the second is the construction of the TUTAP (Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan) electric power line, a long-cherished dream of heads of state in Central Asian republics, although its future itinerary is still very unclear (Putz, 2017).

In view of these trends, it is hardly surprising that President Mirziyoyev is apparently trying to play a much more active role in Afghanistan than his predecessors. Over the past decades, we have witnessed the Uzbek government’s efforts at acting as a mediator in the conflict in Afghanistan. On his visit to Doha in March 2019, Uzbek Foreign Minister Abdulaziz Kamilov met not only the internationally recognized Ghani government, but also representatives of the Taliban. Prior to this meeting, in June 2018, Taliban diplomats had already been invited to the Afghan peace conference in Tashkent, but eventually no Taliban attended the event. However, two months later, in August 2018, they paid a visit to the Uzbek capital (Hashimova, 2019b). Mirziyoyev’s diplomacy has been active in Afghanistan also in the context of the Corona virus pandemic. According to an Uzbek state media report Uzbekistan sent a trainload of humanitarian aid to Mazar-e-Sharif, including masks, thermometers and basic foodstuffs (Uza.uz, 2020).

3. Uzbek Foreign Policy in the Sperpower Space

The achievements of the new Uzbek foreign policy were immediately visible in their relations with neighbouring countries. In contrast, it will certainly take longer for them to be equally visible in relations with global superpowers or at least with those that might affect Eurasia. It is assumed that strong global players will also appreciate the emergence of a more open and more active Central Asian regional medium-sized power as a strategic partner. (So far, mostly Kazakhstan has been seen as such.)

Of the superpowers with noteworthy strategic interests and commitments in Central Asia, it was probably China that the Karimov regime had the most balanced relations with. This might have been due to the fact that currently China seems to be trying to obtain economic positions in the region rather than cradling military ambitions. The Karimov regime favoured cooperation with China because, in addition to mutual investment opportunities, Uzbekistan suffers far less from the migration pressure coming from China than Kazakhstan, Kirgizstan, or Tajikistan. These three, especially Kazakhstan and Kirgizstan, feel enormous social tensions and Sinophobia because of having China as their neighbour (Laurelle & Peyrouse, 2009).

Uzbekistan, the republic that seems to have the most diversified national economy in Central Asia, is an attractive economic partner for China. Multilateral trade between the two countries was worth more than 3 billion dollars in 2015, thus China was ahead even of Russia in the order of Uzbekistan’s trade partners. Since 1991, Chinese companies have made investments to the value of almost 8 billion dollars in Uzbekistan, primarily in the fields of construction, transport infrastructure and telecommunications. When the large-scale Belt and Road Initiative (BRI) was launched, Chinese investments gained a new impetus, especially in the area of logistical investments: among others, the electrification of the Angran – Pap railway line, which connects the Ferghana Valley with the rest of the country, has been carried out within the BRI project, and a high-tech industrial zone has been established near Jizzakh. Besides, cooperation has a cultural aspect, as well. In Uzbekistan, China has opened two Confucius Institutes, and each year 150 Uzbek students may continue their university studies in China under the auspices of the Shanghai Cooperation Organization (SCO) (Vakulchuk & Overland, 2019). Apart from China, the Republic of Korea is another Central Asian player that has maintained wide-ranging economic, cultural, technical, scientific, and other types of contacts with several countries, with the post-Soviet Central Asian republics among them (Neszmélyi, 2004). In the latter case, in addition to the fact the republics are potential export markets and sources of energy imports, the Korean people’s identity of being of Central Asian origin adds to strengthening ties.

Uzbekistan’s relations with Russia, the other great Eurasian continental power, have been more ambivalent, partly due to historical reasons. Carefully guarding his country’s sovereignty and happily using the Uzbek nationalistic rhetoric, President Karimov was highly suspicious of and hostile towards Moscow, which continued to have enormous cultural and military influence on the Central Asian region. As indicated in a footnote above, in 1992 Uzbekistan was one of the six founders of the Commonwealth of Independent States (CIS); moreover, the agreement was signed in the Uzbek capital, Tashkent. In 1999, however Uzbekistan did not renew its membership when it was transformed into the Collective Security Treaty Organization (CSTO). Instead, it joined the GUUAM (Georgia – Ukraine – Uzbekistan – Azerbaijan – Moldova) grouping of anti-Russian successor states. Frightened by the wave of colour revolutions and the Andijan riots, in 2005 President Karimov took another U-turn, and had his country join the Collective Security Treaty Organization (CSTO), which he probably regarded as a ‘regime maintaining pact’. It seems, however, that eventually Karimov’s anti-Russian attitude seems to have won the upper hand,
and in 2012 he had his country leave again (maybe conclusively) the Moscow-dominated organisation (Litovkin, 2012).

Uzbekistan’s rejoining the CSTO is not on the agenda for the time being (Reuters, 2017). For cooperation in security policy, the country appears to be favouring the SCO framework, which is marked more by Chinese than Russian dominance. As noted in footnote 8, Uzbekistan was not part of the ‘Shanghai Five’ (China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan) cooperation launched in the 1990s, but in 2001 it was already one of the founding states of the Shanghai Cooperation Organization (SCO). The primary objectives of SCO, namely fighting the ‘three devils’ of religious extremism [jihadist] terrorism, and territorial separatism, was a genuine common denominator for China, Russia and the Central Asian republics. However, because of Russia’s opposition, at present no tighter economic integration is aimed at (Huasheng, 2013).

As far as regional economic integration plans are concerned, the possibility of Uzbekistan joining the Eurasian Economic Union, which Kazakhstan and Kirgizstan are already members of, has been continuously on the agenda since Karimov’s death. A statement by Valentina Matvinienko, the Chairwoman of the Federation Council (the second chamber) confirmed the suspicion (RIA, 2019) in October 2019 that Russian and Uzbek leaders had been conducting bilateral negotiations on the matter. The Uzbek public is strongly divided on accession. The usually rather restricted Uzbek media tends to give voice mainly to the worries about Russia’s heavy trade and economic dominance within the organisation (Hashimova, 2020b). In this light, it might not be surprising that in a January speech, President Mirziyoyev made a ‘magnanimous gesture’ by allowing the Uzbek parliament to take the final decision on membership; rather than opting for full membership, parliament voted for observer status (Hashimova, 2020a). Since this move, Uzbek politicians’ communications suggest that the observer status will offer the advantages of membership without having to face its possible negative consequences (Hashimova, 2020c).

Uzbekistan’s position in the region has considerably improved since the early 1990s. Under Karimov’s rule, from 1993 relations were markedly strained with Turkey, deteriorating further due to the 2005 unrest and massacre in Andijan. When the new leadership took power, however, relations between the two countries were soon placed on new foundations. Besides ethnic and religious ties (Egeresi, 2016), Ankara was open to cooperation also because of its geostrategic interests (Egeresi, 2017). When Mirziyoyev visited Turkey in 2017, they signed several agreements, and since 2018 Uzbek citizens may travel to Turkey without visas.

Last but not least, we should analyse Uzbekistan’s relations with western powers, more specifically with the United States, because as László Vasa convincingly argues in a paper published last year, the European Union can hardly be seen as a noteworthy strategic player in the region (Vasa, 2019). Karimov saw Islamic radicals as the top challenge for Uzbek internal stability, and in turn, Russia as the top challenge threatening the country’s external sovereignty. In order to offset Russian hegemony, from time to time, Karimov would also take into account the western system of allegiance. As noted above, in 1999 he did not renew the country’s membership in the Collective Security Treaty Organization. Instead, he was trying to draw closer to the cooperation of the GUUAM states (Georgia – Ukraine – Uzbekistan – Azerbaijan – Moldova), which were western-oriented and definitely anti-Russian. Following the 9/11 terrorist attacks in 2001, he did not hesitate to offer the use of the Karshi-Khanabad Air Base to the United States to help military operations launched against Afghanistan. In exchange, the US provided equipment and modern technology to the value of 120 million dollars to the Uzbek army, and to the value of 82 million dollars to the Uzbek secret services. In addition, it paid an annual 15 million dollars for the lease of the K2 base. The major turning point in the dynamic progress towards cooperation was the American – Uzbek strategic partnership agreement, that Presidents Bush and Karimov signed in March 2002 (Cooley, 2012).

Cooperation between the Bush Administration, that was trying to export the doctrine of democracy, and the authoritarian Karimov regime was hardly smooth and problem-free in the long term. The violent bloodshed at the time of the 2005 Andijan riots was criticised harshly by the American party, especially by some members of Congress (e.g., by John MacCain, who is regarded as the Republican ‘hawk’). The rather short-tempered Karimov reacted by calling on the American soldiers stationed in the territory to leave the country immediately (Russian Peacekeeper, 2014). Afterwards, relations between the USA and Uzbekistan continued to be rather chilly up to the president’s death.

The passing of Karimov, a politician hardly acceptable in the eyes of western powers, coincided with the advent of the Trump Administration, that appeared to be less committed to spreading democracy and enforcing human rights than its predecessors. As an outcome of all these factors, the USA received Mirziyoyev’s reform politics favourably. This new attitude is best exemplified by the fact on his tour of Central Asia in February 2020, American Secretary of State, Mike Pompeo paid a visit not only to Kazakhstan but also to the Uzbek capital. Bearing in mind the Trump Administration’s priorities, it is not surprising that in the two foreign ministers’ bilateral meeting, Pompeo did not blame the Uzbek regime for its legal shortcomings in human rights issues, but rather emphasized the possible advantages of mutual (economic) cooperation. Thereby, Pompeo was primarily trying to pave the way for American investors into Uzbekistan, warning about the dangers of the Chinese influence, which the Trump Administration regarded as their top strategic threat (Cherigate, 2020).
4. Conclusions

The present paper intends to give a brief overview of the aspects of ‘Mirziyoyev’s opening’ that seem to be the most important. After four years of his presidency, perhaps it is too early to give a conclusive evaluation, nevertheless, the first observation is that the country seems to have made serious moves in the direction of liberalizing reform. However, the shift is not towards building a western type of democracy but, at best, towards a more ‘market-friendly’ authoritarian government. Economic reforms are likely to have long-lasting consequences, but at this stage, the political reforms are fragile, especially those affecting media openness, and can be withdrawn any time. The foreign political implications of the opening are affecting the entire region, possibly transforming the dynamics of regional cooperation and the rivalry of superpowers. Uzbekistan is the only republic in the region that has common borders with the four other Central Asian post-Soviet states, as well as with Afghanistan. Therefore, partly due to its natural position, Uzbekistan may be the driver of regional integration if it maintains more open and more friendly relations with its neighbours. It is quite possible that global powers will also have to reckon with a more active and more dynamic Uzbekistan at the head of post-Soviet Central Asia.

References


German Elections and its Possible Impact on Sino-German Relations

Moldicz, Csaba

Abstract

The German elections were held on September 26, 2021. The results were not surprising but sobering for the German right-wing conservative parties CDU-CSU, which had been in power for 16 years. Given the predictability of the political transition of power, it is worth briefly analyzing its potential impact on the political and economic relations between China and Germany. After a brief introduction, the election results and possible coalition formations are discussed first. The paper then looks at the statements and comments made by left-wing politicians on China and attempts to draw conclusions for future relations. A special section deals with the public perception of China in Germany.

Keywords

Germany, elections, Chinese-German ties, perception of China, foreign direct investment, trade, and state subsidies

1. Introduction

The next section of the paper, Chapter 2, examines the legacy of the Merkel era and uses the findings as a basis for further analysis on the future of Sino-German relations. In Chapter 3, after looking at the preliminary results of the elections, we take a brief look at the public perception of China in Germany, which helps us understand where the pressure to change the course of China policy comes from. It should be added that the U.S. State Department is also
exerting pressure, and the two forces could be enough to change the China policy of Germany. A subchapter looks at party platforms as a guide to understand the main ideas and currents in German political parties regarding China. This part draws on Reimers’ comprehensive analysis and attempts to draw conclusions. After reaching conclusions regarding China’s possible course, Chapter 4 expands the picture and attempts to interpret the possible changes in a more theoretical way. The final chapter of the paper summarizes the points already made. As the paper analyzes recent events, analytical articles and interviews are also frequently referred to.

2. Before the Elections

German Chancellor Mrs. Merkel’s political legacy is extremely mixed, as she brought political stability to the country and achieved relative growth during her 16 year-term of office, but Germany’s economic competitiveness has deteriorated during that time, especially in digitization and so-called new technologies, Germany lags behind its competitors, while the country does well in traditional sectors, such as the automotive industry. Merkel’s biggest domestic policy failure was the so-called ‘welcome culture’, which was a response to the 2015 migration crisis that resulted in 1.25 million asylum applications in 20152016. The German government initially responded by opening the gates to migrants, but public sentiment was less supportive and years later we could still see the negative effects of the rushed migration process. She later admitted that the policy was a failure when she said, ‘This cannot, should not and must not happen again’ (quoted from Wagstyl, 2016).

At the same time, her chancellorship was marked by the motto ‘Wandel durch Handel’ (change via trade), which resembles the policy of US engagement with China until 2016. Johnson summarized this approach by saying, ‘The idea that trade and engagement could change China resonated especially strongly in Germany. The old West German strategy of pursuing Wandel durch Handel (change through trade) in its dealings with the Soviet Union contributed to the breakdown of barriers and the building of trust that allowed Germany to reunify with little Soviet opposition. In their dealings with China, Merkel and other German policymakers saw a reflection of their country’s own transformation. Unfortunately for them, China went the other way—and German policy struggled to adjust.’ (Johnson, 2021)

When it comes to Sino-German trade and investment relations, the picture is a bit fuzzier. On the one hand, Merkel can be said to have visited China 12 times during her term of 16 years - the most frequent visits to China by a Western head of state - but on the other hand, Germany has amended its foreign direct investment (FDI) screening law to curb capital inflows from third countries.

Although the law does not explicitly mention it, the aim was to stop the inflow of Chinese (and to some extent Russian) foreign direct investments. The scandal that led to the change in the law arose in connection with the acquisition of the German KUKA Holding specialized in industrial robots. The buyer was the Chinese Midea Corporation, whose takeover caused an outcry and led to the strengthening of the state’s rights to screen these kinds of foreign direct investments. At the same time, Sino-German trade relations flourished during this period, and China replaced the United States as the largest supplier of goods and services to Germany. Germany has a trade deficit with China, but it is very moderate, unlike the French and Polish trade deficits with China.

In principle, we can argue that solid and strong economic relations could be a basis for good political relations. However, this situation might change when political parties start implement their ideas of their political campaign programs regarding China. Looking only at these programs, bad times could be ahead for the German-Chinese relations.

3. Polls and Political Reactions

3.1. The Elections in Number

In the elections, 76.6 percent of eligible voters participated. According to the preliminary results, the SPD, the social democratic party, won the elections with a narrow majority of 25.7 percent of the votes, while the conservative CDU received 18.9 percent and the closely allied CSU 5.2 percent. It is very likely that the SPD will win the right to form a government. However, it is already clear that the SPD will have to work with at least two other parties and form a grand coalition government. This is a new political constellation in Germany, where two-party governments were common, but where there has not been a three-party coalition government since World War II. This situation has two possible consequences: 1) The smaller parties have an extremely good negotiating position at the moment. 2) If negotiations fail, the SPD would be forced to agree with the conservative CDU-CSU, as well.

The Greens have achieved their best election result so far. The party received 14.8 percent of the votes, while the FPD, the liberal party, also performed very well. Its share of the electoral votes amounted to 11.5 percent. Although many analysts had predicted a good result for the AfD (Alternative for Germany) and warned of a victory for the right-wing party, this scenario did not materialize. Die Linke, which is described in the German media as an extremist left-wing party, also received less support than predicted (For more data, see Table 1.).

The first conclusion that can be drawn from the election results for Sino-German relations is that even small parties with fewer foreign policy interests can have an
influence on the relations with China. As they are more concerned with domestic issues, they are more likely to be influenced by domestic opinion about China. Chapter 3 briefly looks at the results of the recent survey on attitudes towards China, which show why small parties without a real foreign policy agenda might be influenced by public perceptions of China.

Table 1. Preliminary results of the 2021 German federal elections

<table>
<thead>
<tr>
<th>Party</th>
<th>Share of votes</th>
<th>Number of seats in the parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPD</td>
<td>25.7 %</td>
<td>206</td>
</tr>
<tr>
<td>CDU</td>
<td>18.9 %</td>
<td>151</td>
</tr>
<tr>
<td>Die Grüne</td>
<td>14.8 %</td>
<td>118</td>
</tr>
<tr>
<td>FDP</td>
<td>11.5 %</td>
<td>92</td>
</tr>
<tr>
<td>AfD</td>
<td>10.3 %</td>
<td>83</td>
</tr>
<tr>
<td>CSU</td>
<td>5.2 %</td>
<td>45</td>
</tr>
<tr>
<td>Die Linke</td>
<td>4.9 %</td>
<td>39</td>
</tr>
<tr>
<td>SSW*</td>
<td>0.1 %</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Der Bundeswahlleiter. Retrieved from: https://www.bundeswahlleiter.de/info/presse/mitteilungen/bundestagswahl-2021/50_21_vorlaeufiges-ergebnis.html * Based on relevant rules of the constitution, the SSW as being a party representing minority received 1 seat in the parliament.

3.2. Public Opinions about China in a European Comparison

The latest data on Germany’s perception of China comes from a survey conducted by the European Council on Foreign Relations’ Re:shape Global Europe initiative. The data is sobering: almost half of Germans (47 percent) see China as a rival or adversary. The lowest figure is found in Hungary, where this proportion stays at 27 percent. With 47 percent, Germany is the country in the EU having the most negative view of China. Only 2 percent of the Germans consider China as an ally, compared to the 11 percent found in Hungary. The figures for all other EU members fall between these two figures. Germany is also the country where the lowest percentage of people (28 percent) perceive China as a necessary partner, which would be the lowest level of perception required to cooperate with China.

Especially when it comes to taking action, the German population seems to want to take steps against China. While 45 percent of people in EU countries support harsh criticism towards China for alleged violations of human rights and democratic values, in the case of Germany the figure is 52 percent. At the same time, we must add that the argument that there is a link between trade relations and criticism of China is well known, and voters and politicians seem to be aware of the risk they run when they criticize China too harshly (Oertel, 2021).

### Table 2. China’s perception in 12 European countries

<table>
<thead>
<tr>
<th></th>
<th>Ally</th>
<th>Necessary partner</th>
<th>Don’t know</th>
<th>Rival</th>
<th>Adversary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2.0</td>
<td>39</td>
<td>23</td>
<td>18</td>
<td>9.0</td>
</tr>
<tr>
<td>the Netherlands</td>
<td>2.8</td>
<td>36</td>
<td>26</td>
<td>22</td>
<td>7.0</td>
</tr>
<tr>
<td>France</td>
<td>3.0</td>
<td>39</td>
<td>19</td>
<td>25</td>
<td>9.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.5</td>
<td>59</td>
<td>23</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>4.0</td>
<td>43</td>
<td>18</td>
<td>23</td>
<td>11.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>4.5</td>
<td>39</td>
<td>16</td>
<td>28</td>
<td>12.0</td>
</tr>
<tr>
<td>Austria</td>
<td>4.9</td>
<td>31</td>
<td>21</td>
<td>26</td>
<td>17.0</td>
</tr>
<tr>
<td>Italy</td>
<td>5.0</td>
<td>44</td>
<td>23</td>
<td>19</td>
<td>9.0</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>7.0</td>
<td>32</td>
<td>21</td>
<td>22</td>
<td>21.0</td>
</tr>
<tr>
<td>Spain</td>
<td>7.0</td>
<td>28</td>
<td>28</td>
<td>30</td>
<td>12.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>8.0</td>
<td>36</td>
<td>27</td>
<td>24</td>
<td>9.0</td>
</tr>
<tr>
<td>Hungary</td>
<td>11.0</td>
<td>28</td>
<td>23</td>
<td>30</td>
<td>17.0</td>
</tr>
</tbody>
</table>


3.3. Political Parties’ Programs

Given the preliminary election results, it is very likely that the SPD, Germany’s social democratic party, will be one of the main players in forming a government. Therefore, it is worth taking a look at the party’s communications regarding China. According to the current foreign minister of the SPD (Heiko Maas), Germany will have to orientate itself more towards the Americans in its China policy in the future. At the same time, the foreign minister defended the Comprehensive investment agreement between China and the EU. But that was in early 2021, since then the mood has changed and become more hostile towards China. Although it is clear that party platforms do not equate to actions, it is useful to briefly analyze the different opinions about China based on party platforms as well. Table 2 contains these opinions in details.

While the CDU/CSU focuses on the challenged foreign and security policy, the Greens emphasize the importance of protecting human rights in China and climate cooperation with China. The SPD is also very critical of the alleged human rights violations in Xinjiang, but also expresses its willingness to cooperate with China. The FDP has placed relations with China at the center of its party platform. The party considers human rights and the rule of law important and even focuses on strengthening relations with Taiwan. The Left is moderate in the sense that it has no clear opinion on many issues, while the AfD is contradictory, on the one hand supporting the BRI, and on the other declaring that China interferes in domestic issues through the Confucius Institutes.
All four major parties agree that China policy needs to be formulated at EU level, and all call for ‘fair economic relations with China’, which basically means mutual market access on equal terms and the rule of law in the economy, as well.

If you want to find a common element between the parties, the following points can be highlighted:

- The CDU/CSU and the Greens use the same language when they talk about China. They often use the triangle that describes China as ‘competitor, partner and rival’. Both stress that China should be confronted on a transatlantic level, especially when it comes to data protection and network security.
- While the CDU/CSU does not mention or criticize human rights, the SPD, FPD and Greens agree on this point and criticize China on this issue.
- The FDP and the Greens add that it is important to improve working conditions in China and ILO standards.

### Table 3. China in party programs

<table>
<thead>
<tr>
<th></th>
<th>CDU/CSU</th>
<th>SPD</th>
<th>Grüne</th>
<th>FDP</th>
<th>Linke</th>
<th>AfD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop EU-China strategy?</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
</tr>
<tr>
<td>Fairer economic relations to China?</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Supports the idea</td>
</tr>
<tr>
<td>Protection of networks, data and high-technology from China?</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
</tr>
<tr>
<td>Ratification of CAI?</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Does not support the idea</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
</tr>
<tr>
<td>Create European Alternatives to BRI?</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Does not support the idea</td>
</tr>
<tr>
<td>Deepening transatlantic relations?</td>
<td>Supports the idea, explicitly against China</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Supports the idea</td>
<td>Does not support the idea</td>
<td>Not mentioned in the program</td>
</tr>
<tr>
<td>Cooperation in climate change fight with China?</td>
<td>Not mentioned in the program</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
</tr>
<tr>
<td>Should China be involved in disarmament?</td>
<td>Not mentioned in the program</td>
<td>Supports the idea</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
<td>Not mentioned in the program</td>
</tr>
</tbody>
</table>

From the programs we can see that the FDP and the Greens have the least China-friendly policies, while the SPD is more moderate in its actions and statements on China. The CDU/CSU are the parties in Germany that have the most China-friendly policies at the moment. Unfortunately, however, the conservative parties have less chance of becoming the governing party between 2022 and 2026.

What hurts the most is the fact that the Greens will be one of the governing parties. Kastner summarizes this situation as follows: ‘The Greens insist that universal human rights become enshrined in any economic agreement between the EU and China, and the FDP’s inherent aversion to state-driven economics and subventions to state-owned enterprises would pit it against China. Arguably, the least desirable outcome for Beijing would be the Greens’ chancellorship candidate Annalena Baerbock being named as foreign minister - a role traditionally given to the second-largest coalition partner. She used her last televised debate before the elections to call for ‘a new chapter’ in EU human rights policy China.’ (quoted by Kastner, September 28, 2021)

Another aspect - often emphasized by the Greens - is the overemphasis on multinational corporate interests in German foreign policy. Reinard Buettikofer, a member of the European Parliament from the Greens, pointed out, ‘Germany’s unbalanced China policy [is] heavily skewed towards the interests of a few multinational corporations at the expense of other sectors of our economy, and certainly at the expense of our values and security concerns.’ (quoted by Hammond, 2021)

The only hope for China-Germany relations is that Scholz of the SPD is as pragmatic towards China as Merkel and wants to get the best for European companies out of China’s Belt and Road Initiative.
3.4. German Policy Reactions

The next chapter deals with the question of the possible risks China faces in German relations and even in the Single Market of the EU, where common rules determine market conditions. In the previous chapter we could see that the impact of the German elections on bilateral relations will most likely be negative. In case political relations would deteriorate further, there are certain areas that are more vulnerable to the impact of growing tensions between the two countries. In this part, we focus on how Chinese companies would be affected, but we can add that this works both ways. In the following part, we will briefly analyze two aspects, one is more related to trade and the other is related to investment. Before starting this part, we need to understand that the policy response can come from the EU rather than the national level, since the Single Market is managed by the European Commission. (There is one exception: screening of foreign direct investment from third countries, which is regulated at country level.)

In the given political environment, it is very unlikely that the political agreement on the Comprehensive Agreement on Investment (CAI) will be reached this year, as originally planned, and can soon take its final form. The German parties do not give much thought to this issue, although it is obvious that the development of trade and investment relations would require a quick ratification of the agreement.

Although direct German reactions could be more muted so as not to anger China, we should not forget that the European Commission often acts as Germany’s representative, i.e., it represents German interests without raising tensions in bilateral relations. Above we mentioned CAI, which is at the centre of the public debate and which does not improve relations in case of non-ratification. There is another possible policy response that may worsen the business environment for Chinese companies in the EU internal market, namely the regulation of third country FDI in the EU.

The European Commission began to focus on state aid granted by other third countries because, it argued, subsidies from third countries to EU companies appear to be causing growing negative competition in the Single Market. As existing trade agreements only cover exports of goods from third countries, not state subsidies, the EC adopted a White Paper on Foreign Subsidies in the Single Market in June 2020 (European Commission, 2020). Subsequently, the European Commission adopted a proposal to regulate foreign subsidies in the EU, which has not yet entered into force, but from which the main changes can be seen:

In case of proved foreign subsidies, the European Commission will be able:

- oblige that company to offer or make available its assets on appropriate terms,
- reduce capacity or market presence,
- refrain from certain investments,
- publish R&D results,
- dispose of certain assets,
- dissolve a concentration or to repay subsidies with interest.

Foreign firms must notify the European Commission of acquisition when the purchased company:

- is established in the EU,
- has a total turnover in the EU of at least EUR 500 million and
- the given companies received foreign subsidies exceeding EUR 50 million.

Ignoring the rules can lead to the nullity of the transaction, penalty up to 10 percent of the total annual turnover.

In public procurements, in case of contracts worth an estimated EUR 250 million or more, the firm must notify subsidies received from third countries in the last three years. Even in this case, penalty can be up to 10 percent of the total turnover (Bernt, 2021).
4. Geopolitical Implications

Until now, Germany’s China policy has been often characterized as a moderate balancing policy between economic interests and political values, where political decision-makers were prepared to compromise and accept political bargains for economic benefit. One of the most successful cooperation with China can be seen in the case of Germany, as Germany is the only large economy, that was able to keep the trade with China moderate and at the same time it was the country that received the majority of the FDI from China. (According to the data set of the American Enterprise Institute, the largest recipient of Chinese FDI in the EU was Germany with almost USD 48 billion invested between 2005 and 2020.)

In foreign policy, the spectrum of countries’ behavior is usually put between bandwagoning and balancing, where balancing means using political, economic, and military means to prevent a rising power from becoming a hegemon, and bandwagoning means striking an alliance with the rising power. Between the two poles, the so-called hedging takes place, which is a mixture of cooperative and confrontational elements. Until now, the German policy could be classified as a hedging strategy, however, given the above analysis of German politics we can forecast a shift of the foreign policy strategy towards a balancing strategy in which confrontational elements tend to dominate. (See table 4.)

<table>
<thead>
<tr>
<th>Strategy chosen</th>
<th>Germany’s strategy until 2021</th>
<th>Forecasted German strategy after the elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>vis-à-vis China</td>
<td>Hedging</td>
<td>Balancing</td>
</tr>
<tr>
<td>vis-à-vis the United States</td>
<td>Hedging</td>
<td>Bandwagoning</td>
</tr>
</tbody>
</table>

What would this future look like? Most likely, the future will look similar to the one in the past between 1998 and 2005, when the SPD ruled the country. Johnson envisions the future as follows, ‘Embracing this sort of agenda could return Germany to a more forceful foreign policy toward China, echoing the period from 1998 to 2005 when the Greens’ Joschka Fischer was foreign minister. Motivated by the party’s strong positions on human rights, Fischer advocated for German participation in the Kosovo war and the stationing of troops in Afghanistan.’ (Johnson, 2021)

But ‘the past does not repeat itself, but it often rhymes,’ to paraphrase Mark Twain. Kundnani is less pessimistic, predicting the continuation of current foreign policy toward China: ‘In short, the Merkel consensus is likely to live on after Merkel -disappointing those, who had hoped for a new approach to the eurozone or to authoritarian states such as China.’ (Kundani, 2021) He argues that the Greens want to work with China on climate issues rather than criticize it on human rights issues, and that the SPD is less aggressive towards China than the business-friendly FDP, which wants to keep an eye on the economic aspects. The main argument, however, is that German foreign policy tends to be made in the chancellery rather than in the governing coalition.

The most likely candidate for the chancellor’s post is Olaf Scholz, who served as finance minister in Angela Merkel’s grand coalition. He has been called a black box on China policy issues, dodging those questions during the election campaign. But it is certain that immediately after forming a government, the new cabinet will have to clarify its goals on China as Germany will assume the G7 presidency in January 2022. What we know about him is that he is a doer, had many projects with Shanghai while being a mayor of Hamburg, and made no critical remarks or comments about China during the election campaign. (Bermingham, 2021) At the Munich Security Conference in 2021, Scholz downplayed the importance of major changes in German foreign policy and warned against economic disengagement from China (Barkin, 2021).

At the same time, changes in German foreign policy are increasingly subtle, and there seem to be two main points here, which were also repeated by Scholz. The first is that the EU should speak with one voice on China, and in this case Europe cannot be forced to choose sides, which would be the second point. A senior member of the SPD, who did not want to be named, said this: ‘If Europe is strong enough to stand alone, it will not be dragged into a bipolar world where it has to choose sides.’ (Bermingham, 2021)

The debate about the future of Europe has been going on for decades. However, with the new German Chancellor, the debate could reach a new height, as Mr. Scholz wants to further integrate the EU, unlike his predecessor, Mrs. Merkel, who was more cautious about Europe’s integration plans. Concepts such as European sovereignty and technological sovereignty are key in this debate. Germany’s problem is not only that a strong Europe needs decisive action from Germany, but that Germany will always face the dilemma of a Europeanized Germany versus a Germanized Europe. This dilemma – being present in the literature since the 1990s (Heise, 2005) - embodies the problem that a strong EU cannot be created without an active Germany, which must show self-restraint in order not to ‘Germanize’ the EU.

At the same time, we do not see the course of American foreign policy indirectly affecting China-Germany relations. In recent weeks, the Biden administration seems to have realized the limits of its confrontational foreign policy approach toward China. Attempts to improve relations - Huawei CFO Meng Wanzhou may return to China – have not ended the stalemate, but this is a positive sign of a slightly changed attitude in the US.
5. Summary

Although we do not yet know the outcome of the negotiations on the new German government, we can be almost certain that there will be parties in the government to take a tougher stance on China than the conservative CDU/CSU. The biggest problems will be generated by the Greens and the FDP, having a more hawkish stance on China, while the SPD has a more moderate China policy. One analyst told Nikkei Asia, ‘A Green foreign minister would certainly raise questions over human rights in places like Xinjiang and Hong Kong and likely even question whether Germany should stick to the One China Policy or upgrade relations with Taiwan...’ (quoted by Kastner, September 28, 2021).

At the same time, it is not certain that the Greens or the Liberals have the ability to influence Germany’s China policy. As we have already mentioned, the cornerstones of foreign policy in Germany are usually set by the Chancellery and not necessarily by the Foreign Minister. Sometimes, even the implementation of that is mainly done by the Chancellor. And we must add that in the German model, i.e. the social market economy - often referred to as Rhineland capitalism - the influence of business associations and trade unions on policy and economic development is more significant than in other advanced economies. And these institutions are less influenced by concerns about human rights or minority rights in China than by economic aspects of the China relationship, and they may influence the Chancellor to stay on track as regards China policy.

Regardless of which direction is taken, change will take time, and it will be slow. Direct changes could come from Germany’s stance on ratification of CAI. We believe the support of the new German government will be there, but slight modifications and compromises on the part of China may be necessary to finalize the agreement. At the same time, it should not be forgotten that the conclusion of the agreement and its ratification will require the European Parliament, which on 21 May 2021 adopted a resolution to freeze the ratification process of CAI. The text of the resolution makes it clear that the freeze is not about the agreement, but about Chinese sanctions against human rights defenders (Koty, 2021). In other words, we need to understand that the European Parliament is also required to ratify CAI, where the direct influence of the German government is less significant.

Similar direct impact can be expected for the carbon tax on imports from third countries. It is clear that the proposed policy move would also affect Japanese and American imports, not just Chinese ones. This is a policy move strongly supported by the Greens.

Another immediate reaction could be in the context of foreign direct investment from third countries, where the German government may be inclined to tighten the rules further. (See footnote 3 on the recent regulation). At this point, however, we should add that in the aftermath of the global pandemic, German policymakers intended to push German companies to redesign their supply chains to reduce dependence on China. However, the bargaining power of German companies was strong enough at the time not to push through these changes. The question is whether the Greens will give a new chance for it, arguing with climate change and human rights. In that case, support from the FDP, which is a business-oriented party, may be a key factor.

Another indirect move against China and other third countries is the new regulation on subsidies, where the German push has helped to speed up this EU level regulation. The European Commission’s proposal will most likely be adopted soon. The tricky part of this legal framework is how the European Commission can get access to real information on Chinese subsidies for Chinese companies in the internal market. The law is based on the logic of extraterritoriality. Subsidies to a Chinese company in China are taken into account by the European Commission when deciding whether or not the particular government subsidy distorts competition in the internal market. Not only the impossibility of obtaining this information, but also the extraterritoriality clause will lead to debates.

To sum up, the near future of Sino-German relations does not look rosy. However, German business representatives may have the power to steer German foreign and trade policy in the direction of a less confrontational policy towards China and thus the long-term damage that could be done by a hawkish view on China could be minimalized. As we could see there is still a measurable chance that German strategy toward China will shift from hedging to balancing, while the strategy towards the U.S. will be more friendly and switched into bandwagoning mode. These changes reflect the increasing tensions between the U.S. and China; however, we believe that Germany has the moral obligation to play a balancing role in world politics, too.

References


About the Authors

Editor of the book

Zoltai, Alexandra is a China researcher at Eurasia Center, John von Neumann University, Hungary, and the vice-president of Hungarian-Chinese Friendship Association (匈中友好协会). She began her Ph.D. studies in autumn 2018 at the Institute of Geography and Earth Sciences of the University of Pécs, on the topic “China’s 21st century maritime ambitions: strategic goals on the New Maritime Roads from the perspective of geopolitical and security policy”. Her major fields of research are China’s geopolitical issues, foreign policy, China’s international role, 21st Century Maritime Silk Road, China in the Arctic.

Editors of the Eurasia Series

Horváth, Levente, Ph.D., is the Founding Director of Eurasia Center of the John von Neumann University, Hungary. After graduating at the Fudan University in Shanghai, he was the Consul General of Hungary in Shanghai, then he served as the Chief Advisor to the Governor of the Magyar Nemzeti Bank, the central bank of Hungary. His main research area is the Chinese geopolitical thinking and the Chinese foreign policy.

Moldicz, Csaba, Ph.D., is Director of Research at the Eurasia Centre, John von Neumann University, Hungary. His main research area is the economic integration process of the European Union and China, with a special focus on the Central and Eastern European region. He has published several books, and his monograph on the China-US technology competition was published by Routledge in 2021. He is an Associate Research Fellow of the Institute for Foreign Affairs and Trade (Hungary) and the China-CEE Institute.

Authors

Csurgai, Gyula, Ph.D., earned five university degrees which were obtained in three countries: Canada, France and Switzerland. He obtained his Doctorate from the University of Geneva. His doctoral research focused on the development of the geopolitical analysis method and its application in different case study situations. He also holds Degrees in Political Science from the University of Concordia (Canada) and the University of Toulouse (France). Dr. Csurgai earned Postgraduate Degrees in European Studies from the European Institute at University of Geneva and from the Philosophy Department of the same university. Dr. Csurgai is Academic Director of the Geneva based S.I.T. (School for International Training) University program in Multilateral Diplomacy and International Studies. He is co-founder of the Geneva Institute of Geopolitical Studies and also adjunct faculty at the International University in Geneva and the Geneva School of Diplomacy. Dr. Csurgai has participated in several international research projects and has provided expertise to different international organizations, governments and private corporations. He provides as well geopolitical intelligence analysis and foresight on major international trends for the private sector on a regular basis. He published several books and articles in the fields of geopolitics, geoeconomics, economic intelligence, and international relations.

Gyene, Pál, Ph. D., is College Associate Professor at the Department of International Relations, Faculty of International Business and Management, Budapest Business School, Hungary. As a political scientist and historian His main research areas include comparative politics and transitology with major focus on the nation and state building processes in certain subregions of the postsoviet space (e.g. Central Asia) and the Islamic world (e.g. Southeast Asia).


Langjia, Zeren Ph.D., is a Junior Research Fellow at the Institute of European Studies of the Chinese Academy of Social Sciences (CASS), China. He holds a double Ph.D. degree in EU Studies from Ghent University of Belgium and English Literature from Sichuan University of China. His research interests are in the areas of European integration, Normative Power EUrope, EU foreign policy, and EU external relations (with Japan). He is an Adjunct Research Fellow at the Centre of European Studies—Jean Monnet Centre of Excellence at Sichuan University. Since November 2019, he also works for the Budapest-based China-CEE Institute established by the CASS in 2017.

Szatmári, Péter, is a Deputy Rector of Science and Development and Head of the Department of International Studies at Kodolányi Janos University. He researches the history of diplomacy in the 19th and 20th centuries, as well as international trends in higher education.
The Eurasia Center started its work within the John von Neumann University in September 2021 with the aim of conducting research on the new, multipolar world order of the 21st century, also referred to as the beginning of the Era of Eurasia, and the evolution of geopolitical and economic processes thereof, thus to contribute to a better understanding of the broader Eurasian region.

While conducting advanced and focused research on current issues in the region, the Eurasia Center is also striving to create a forum for knowledge sharing and exchanging research results. Thus, the Center has launched 'The Eurasia Series', a book series that provides a platform for international and Hungarian researchers and experts to share their research results on the economic rise of Eurasian countries, their political and economic changes, and their role played in the Era of Eurasia both in English and Hungarian.

Our overall goal is to present Eurasia in a new light and to discover the potential provided in the Era of Eurasia.