

## Strategic projects of the world powers in the Central Asian region

SAMAT URALBAYEV

PhD fellow in International Relations  
Wuhan University, China

### Abstract:

*The characteristic feature of the XXI century is the struggle between the two trends - the preservation of the unipolar world under the aegis of the USA and the construction of a multipolar world, supporters of which is China and Russia. Having become the second economic power in the world, China seeks to shift the focus of economic development of the world to the Asian continent where China is the main driver. To this end, Beijing has developed a number of concepts, which coincide with the integration plans of Russia in the Central Asia. However, they do not correspond to the plans of the United States, who is trying to maintain its leadership in the world. For this purpose is used a variety of programs based on the American concept of the development of the world community. The article set a goal to assess the obstacles hindering the implementation of integration projects of the Russian Federation and the People's Republic of China in Central Asia and to determine the most efficient platform to address existing problems.*

**Key words:** China, Russia, the United States, Central Asia, the New Silk Road, One Belt and One Road, Great Central Asia, the SCO, Eurasian Economic Union.

### ECONOMIC PROJECTS OF CHINA FOR THE CENTRAL ASIA

On 16<sup>th</sup> September, 2013 giving a speech in Astana, Kazakhstan, President of China Xi Jinping presented an

international project which includes the Central Asian region "The economic belt of the Silk Road" (New Silk Road, also One Road - One Belt) which has a strategic perspective. Its implementation will contribute to the cohesion of the countries of the Central Asian region and the disclosure of their economic potential [1]. The prospect of implementing OBOR due to the emerging world trends.

Firstly, in the conditions of the XXI century, developing countries gradually strengthened as the main "drivers" of the world economy. Here we are talking about China, whose leaders still carry their own state to the developing countries, Russia, restoring its economic potential and on the other BRICS countries, which are the leaders of the economy in Asia, Latin America and Africa. While Western countries are mired in migration crisis and in the redistribution of spheres of influence in the world.



**Map 1. New Silk Road Initiative's routes through Eurasia and Indian Ocean**

Secondly, the emergence of these "drivers" contribute to the emergence of new centers of economic development of the world. At the same time its center gradually shifted to the expanses between Europe and the Asia-Pacific region. Central Asian Region (CAR) is becoming a bridge between Europe and Asia, where the post Soviet space, Russia tends to see itself a natural leader, China aspires to leadership in the Asian world

and is interested in a stable Central Asia where it seeks to develop economic cooperation with the countries of the region.

Thirdly, enhancing regional co-operation is a response to the changing world order, leaving a unipolar world. The fiasco of the American "superpower" makes the country more closely integrated with each other. It is not just about strengthening regional economic ties, but also the creation of new monetary unions to work together to solve the global problem also the hegemony of the dollar in the global economy. This, in particular, contributes to the recent occurrence of the Chinese yuan in the world's reserve currency.

In view of these trends, Chinese President during his visits in Central Asia and South-East Asia in September and October 2013, took the initiative to implement the Economic Belt of the New Silk Road and the "Maritime Silk Road of XXI century in the execution of a single project "One Belt - One Road". The project involves the establishment of strategic reference points for the development of the internal regions of the States participating in its implementation, which will contribute to the economic prosperity of countries along the "Silk Road" and to promote cooperation among civilizations. To this end, the Chinese government has developed a document "Excellent prospects and the practical action to create a joint economic zone of the Silk Road and maritime Silk Road of XXI century". It defined the main content of international cooperation, which includes 5 points: political coordination, interconnection of infrastructure, uninterrupted trade, free movement of capital and strengthen the affinity between the peoples [2]. The term "One Belt and One Road" will link the continents of Asia, Europe and Africa. From one end of this path will be active "drivers" of East Asia, on the other side - developed economies of Europe, and between them the vast territory of Central Asian states with a significant potential for economic development. For their convergence some transport bridges will be created between Europe and Asia, including the

corridors of economic cooperation such as "China - Mongolia - Russia", "China - Central Asia - West Asia" and "China - Indochina." These will form the basis of major international routes with reference points in key cities in the economic, trade and industrial zones. Basic ground of the New Silk Road routes starts from China through Central Asia (CA) and Russia to the Baltic Sea; through Central Asia and West Asia to the Persian Gulf and the Mediterranean Sea; through the South-East and South Asia to the Indian Ocean. Economic corridors "China - Pakistan" and "Bangladesh - China - India - Myanmar" will be connected with the project "One Belt and One Road". Directions of the Sea Route is planned to develop the Chinese ports across the South China Sea to the Indian Ocean and the Pacific through the Arctic Ocean to Europe. These waters will create safe routes to the nodal points in the most important ports. Strengthening multilateral cooperation, China plans by taking advantage of mechanisms such as the SCO, China - ASEAN, APEC, Asia - Europe Forum, Dialogue on Cooperation in Asia and a number of other international organizations, with the participation of China. Implementing a project to revive the "Silk Road" Beijing is trying to shift the economic center of the world towards Asia, where China is the main "driver".

## **EURASIAN INTEGRATION IN THE VIEWPOINT OF RUSSIA**

Chinese initiatives in the framework of "One Belt and One Road" is perceived in Russia with heightened interest. Nevertheless, Moscow in their projects prefers to use the term "Eurasian integration" and trying to keep the traditional influence in one of the most important regions of Eurasia - Central Asia, for which it has grounds.

Firstly, the current political system of most Central Asian states is much closer to Russian one than any other, often the Central Asian republics pattern various institutes and elements of the Russian Federation legislation. In this case, the

approach of the Central Asian countries to the projects relating to their destinies is quite pragmatic. It varies from country to country, but in general we can say that the Central Asian republics are ready to support the project of any party if it is expressed in the financial and other investments, and does not undermine the foundations of the existing system. Therefore, they strongly support Russian projects aimed at the development of the national economy. This also applies to highways of OBOR which has length of more than 12 000 km which will allow the Central Asian states to go to the Baltic Sea and to ensure the development of nodal areas on its territory. Moscow has also played a positive role in maintaining the balance of forces in the region. [3]

Secondly, the standard on the railways of Russia and Central Asian countries is a gauge of 1520 mm. It is wider than the gauge of 1435 mm which is common in China, the US and Europe [4]. This was done in order to ensure the stability of the rail ways during its operation and increase the speed of trains without the modernization of rolling stock, as well as for the difficulty of the enemy troops supply in case of their invasion. Unity of the gauge standards on the railways of Russia and Central Asia facilitates the transport of heavy loads over long distances without significant delay in the transfer station.

And finally, thirdly, strategic Russian and Chinese interests in Central Asia do not contradict each other and are close on border security, fight against terrorism, regional stability and geopolitical cooperation aimed at limiting US military presence in the region, countering the rate on the "democratic reforms" leading to the "color revolutions". Beijing recognizes the interests of Russia in Central Asia, which links China's policy to cooperate with Moscow in the region.



**Map 2. Member States of the Eurasian Economic Union**

Eurasian integration and the strengthening of its role in it, Moscow plans through the use of such multilateral mechanisms as the Eurasian Economic Union, SCO, CSTO, Union State of Russia and Belarus and a number of other organizations, where Russia plays a key role. In 2010, three of the five members of the Eurasian Economic Community (Belarus, Kazakhstan and Russia) founded the Customs Union , providing a common customs policy. With the introduction, it was announced the formation of a single economic space by of 17 basic agreements between those countries. The development of this space in 2014 in Astana signed an agreement on a more advanced form of integration - the Eurasian Economic Union (EAEU) which in 2015 joined Armenia and Kyrgyzstan.

In addition to the economic aspects of integration, it is strengthening the cooperation in the field of security. Here the CSTO plays a major role of which includes the EAEU countries. Importance of CSTO for the Central Asian countries is based on the fact that in the case of an external threat, only Russia and its CSTO allies can come to aid them. For further integration in the Eurasian space, Russia needs a certain specificity than following in the wake of the European Union, which has also anti-Russian character, although Russia from time immemorial is a European state. In May 8, 2015 this path was chosen. On this day, Russia and China agreed to the pairing of the Chinese project and the Single Economic Space. The two leaders signed a joint statement by pairing OBOR and EAEU. This allows

Moscow on the one hand - to facilitate the solution on long-standing problem of Russian roads and infrastructure development in the country, on the other - to strengthen Russian - Chinese cooperation on the Eurasian continent. For this purpose, a working mechanism for interfacing with OBOR and EAEU was established. In October 2015 a memorandum was signed between Russia and China on the construction of high-speed rail Moscow - Kazan - Beijing, conjugated with BAM and Transsib [5]. On the territory of the Russian Federation it is planning also to host highway "China - Western Europe" length of 1965 km. The launch of this toll road is planned for 2019, while the value of the Russian segment of the path to be about \$6 billion [6]. Implementation of these projects will be a key growth driver of the economy not only for Russia but also for the countries of the Central Asian region.

## **THE AMERICAN PROJECTS IN THE CENTRAL ASIAN REGION AND RELATED PROGRAMS**

The United States' action in the region takes another character. To maintain a unipolar world the US government is trying to get involved with economic, humanitarian and military as well cooperation in the Eurasian space through supporting the democratic movements. It allows Washington to strengthen its influence on the situation in the region and more closely unite the state of Central Asia around NATO where the USA dominated. If we talk about Central Asia and adjacent to it the Caspian Sea region, United States, primarily is being driven by economic interests. In terms of geo-economics, the region has strategic resources such as oil, gas and uranium [7]. So, in the Central Asia's proven oil reserves amount to about 27 billion tons (second only after the reserves in the Persian Gulf). The mainland stocks of them is 8.5 billion tons and gas reserves are estimated at 5.5 trillion cubic meters [8]. In the Caspian Sea crude oil reserves range from 2.3-4.5 billion tons to 5.4 billion

tons. The probable reserves are from 16 billion to 32 billion tons [9]. These stocks are almost 2 times higher than the resources of the North Sea and approximately equal to reserves in North America, that is comparable to the resources of the largest oil-bearing regions of the world [10]. In the context of the increasing importance of nuclear factor, as the guarantor of military pressure the importance of the region gives the availability of reserving uranium. It is accounted for nearly 25% of the world's uranium reserves in Kazakhstan, also Uzbekistan, Tajikistan and Kyrgyzstan have large uranium deposits. Finally, the Central Asian Republics' location at the junction of the Euro-Asian transport routes is an important factor not only its economic but also the strategic importance that is especially attractive for the United States. The location of the Central Asia, which is at the heart of Eurasia, allows to control almost all of its area and affect their security. The most striking example of American influence on regional security was the war in Afghanistan. Under the slogan of "global struggle against international terrorism", Washington began to actively operate in the direction of penetration in the region and strengthen its influence on all aspects of the development in the countries in order to ensure the realization of their plans. To this end, there were various theoretical concepts have been developed by Washington.

Thus, the concept of the "New Silk Road" which is closely related to the concept of "Greater Central Asia" (GCA) was developed in 2005, which is actively used by the Central Command of the US Armed Forces. Both concepts are associated with the name of the head of the Institute of Central Asia and the Caucasus at the University of George Hopkins F. Starr. The magazine «Foreign Affairs» for July-August 2005 publications, it called for the creation of a "Partnership for Cooperation and Development Greater Central Asia" - a regional forum for the implementation of a series of programs under the auspices of the United States. Their essence consists



is reduced to the development of the Central Asian states and Afghanistan without the participation of Russia, China, Iran and Pakistan.

The purpose of the forum is to promote the transformation of Afghanistan and the entire region into a zone of countries with a market economy, secular and open systems of government, maintaining positive relations with Washington [11]. The Pentagon's active participation in this project gives reason to believe that it is aimed at the military-strategic alliance of Central Asia and Afghanistan under the US auspices. Over the time, there will be involved into the Great Central Asia project and other countries, primarily neighbors.

This is consistent with the plans of the United States associated with the implementation of a larger geopolitical and economic project - "Greater Middle East", which includes the regions of the Middle East, the Caucasus and the Caspian Sea basin. In other words, a space that covers the area, rich in resources and convenient for transit communication corridors. In fact, American political scientists plan to establish close links through Afghanistan to Central Asian states with India and Pakistan in order to weaken their orientation towards Moscow and Beijing. [12]

The influence of these ideas on the White House says that in October 2005, US Secretary of State Condoleezza Rice reorganized the South Asia Department of State Department, giving it issues of the five Central Asian states. In April 2006, at a hearing on US policy in Central Asia in the Foreign Affairs Committee of the House of Representatives of the Congress, Assistant Secretary of State R. Boucher, based on the Frederick Starr ideas, went much further, bringing them up to a frank ideological cover promotion of American influence in the region. In his report he has made it clear that he does not think Russia and China are key players in the establishment of the link between Central and South Asia. Senator Lugar, one of the authors of the doctrine of containment of Russia in meetings

with the Minister of Foreign Affairs of Kazakhstan, the presidents of Turkmenistan and Azerbaijan during his visit to these countries in 2008 confirmed that "US interests in the Caspian region to create a multilateral system of delivery oil and gas to Europe to reduce the dependence of European countries as well as Central Asia from Russia's energy monopoly "[13]. For Washington, it is also important to "take away" the oil of Central Asia from China's direction to the direction of the market controlled by the stock exchanges in New York, London, Tokyo and Singapore [14]. These and other justification to isolate Russia and China are written in the work of "Silk Road Strategy: XXI century" [15]. But in practice, the oil from Kazakhstan comes to the West bypassing Russia via pipelines "Europe - Caucasus - Asia" and "Baku-Tbilisi-Ceyhan", which are elements of the American "New Silk Road" [16].

Attaching geopolitical completion of the mentioning process, US Secretary of State Condoleezza Rice at the time discussed with the presidents of Afghanistan, Pakistan, Kazakhstan, Kyrgyzstan and Tajikistan, the possibility of creating a regional organization, which would be focused on the US and would be a counterweight to the Shanghai Cooperation Organization (SCO). As part of this project, the US provided countries in the region 1.4 million USD to "facilitate customs procedures" [17]. Kazakhstan, Kyrgyzstan and Uzbekistan were invited to the US to participate in the NATO program "Partnership for Peace", Washington has also promised them annually to increase funding of cooperation in the military field. Within its framework the Americans are working in areas such as training, technical assistance for the implementation of the US program of "Caspian Guard", etc. Particular attention is paid to the training of the Kazakh peacekeeping battalion "Kazbat" to NATO standards [18]. In Almaty, it was located headquarters of NATO on communications and cooperation

with the Central Asian states; military forces of the Central Asian republics had served in Afghanistan and Iraq [19].

However, implementation of ideas of Greater Central Asia in the region was faced with serious difficulties, since in many of these ideas were based on the prospect of rapid stabilization of the situation in Afghanistan and prepared after President George W. Bush announced the victory over terrorism in 2004. But as the aggravation of the situation in Afghanistan in the coming years, many of the American plans and programs had to be forgotten. Against this background, a refined concept of the "New Silk Road" was launched in 2009. In an article written by F. Starr together with A. Kuchins, they again proclaimed the need for Afghanistan to become a "roundabout on the New Silk Road from India to Southeast Asia, with the highway and railways, leading to the north, south, east and west". As an example, the construction of the ring road in Afghanistan length of 3362 km, which was used for military tasks, including the withdrawal of Western coalition forces from Afghanistan [20].

The idea of "New Silk Road" in the last interpretation had been more softened: China and Russia's role is not excluded, but the principal is still recognized in the direction of South and Southeast Asia. A focus on the construction of roads, it indicates that the US strategy in Afghanistan, considers the country, first of all, as a "transit corridor". For this purpose, it was created "Northern Distribution Network" - transport infrastructure in the north (via Uzbekistan, Kazakhstan, and Tajikistan) and the northwest (via Turkmenistan) directions. Friendly White House experts represent it as a step towards the realization of the concept of "New Silk Road". However, most experts believe that the ideas of Frederick Starr are unrealizable due to the difficult situation in Afghanistan.

In general, analyzing approaches of leaving in 2016 the Obama administration policy in Central Asia, we can distinguish four points:

Firstly, Washington's policy is still aimed at the formation of Greater Central Asia, as well as the involvement of countries in the region in its sphere of influence. In the framework of the US administration considers Central Asia as an object of extension "area of responsibility", which covers the "arc of instability" (Afghanistan, Iran, Pakistan) and a number of other states in the region.

Secondly, decisions made by Barack Obama in this area, repaired the preservation of its military presence in Afghanistan, as a strategic bridgehead towards Iran and China and the decision of the Afghan-Pakistani problem. This causes an increase in aid to Afghanistan and Pakistan in the preparation of their armies and security forces and joint operations against the Taliban and the forces of ISIS. 5500 US troops will remain in Afghanistan after 2016.

Thirdly, however the US presence in Afghanistan is significantly reduced, so Washington's policy in the region will be formed in the context of the limitations of defense budgets and the decision of the new geopolitical challenges. So, February 9, 2016 US Department of Defense published a draft defense budget for 2017. It has several features: in 2017 the defense budget will be 583 billion dollars and be increased spending on military operations abroad. This basic budget decreased by 1.9%, a project lists five threats to the United States: from Russia, China, North Korea, Iran and ISIS. It emphasizes that the main threat will come from China and Russia. In other words, it is assumed that there will be competition between the superpowers; as a result of that, special importance is attached to the budget for research and development related to the new US military strategy "Third Offset", a goal which receives military and technological advantage over Russia and China in the long term [21].

And the fourthly, a series of recent crises that broke out in other parts of the world, replacing the Central Asia from the American agenda. The campaign against "Islamic state" in

Syria and Iraq, the crisis in Ukraine, the civil war in Yemen and Libya, the entry into force of the nuclear agreement with Iran and opposing the pressure of a rising China surpass in significance the events in the Central Asian region. Therefore, the importance of Central Asia for American interests is gradually decreasing [22].

In the long term in the region, Washington will use the available leverage, and to focus on a policy of "soft power" and "indirect action strategy". The priority will be cooperation with Kazakhstan and Uzbekistan. It is expected that the new US Administration to strengthen its "offensive" to the Central Asian states and attempts to squeeze out Russia and China. This follows from the continuity of the support expressed by the Barack Obama administration developed by George. W. Bush's Greater Central Asia plan [23].

Summing up the American policy in the region, we can say that in the short and medium term US goals for the Central Asian countries are quite concrete. They include: keeping them in the orbit of the US regional and global strategies through economic, military and political, ideological and cultural-humanitarian impact.

At the same time, for Washington, it is highly undesirable to increase in the region of other powers, notably Russia and China. Therefore, it will seek to implement in the region the complex top priorities, including in the economic sphere: to gain access to the energy resources of Central Asia and surrounding areas of production and control the routes of their delivery to the world markets; creation of conditions for the organization, as appropriate, the raw material blockade of China; ensuring control over strategic reserves of uranium ore. In the military-political sphere: the preservation of its military presence in Afghanistan in order to keep a base for a possible intervention in the affairs of Pakistan and Iran, deterrence of China and put pressure on Russia; provision of the possibility a rapid response to the situation in the Central Asian countries.

In the ideological sphere, to boost the democratization processes in the countries of Central Asia on the Western model and the promotion of its authorities in the construction of the Ally State on the US model of Turkey.

During these tasks, Washington takes measures aimed at the gradual withdrawal of the region from the influence of Moscow and Beijing; gradual inclusion of Asian countries in the economic and trade associations under American control as well as their involvement in more active cooperation with NATO. This is due to the emergence of new or maintain existing problems for Russia and China, hindering the implementation of integration projects in Central Asia.

### **OBSTACLES FOR THE REALIZATION OF THE CHINESE AND RUSSIAN INTEGRATION PROJECTS IN THE CENTRAL ASIAN REGION**

The American project in Central Asia poses to China some barriers to the implementation of its integration projects. The base in this case is a Sino-US "partnership-rivalry." So, because of the policy pursued by Washington in Afghanistan was designated a real danger that terrorists and separatists will permeate IRA in China, which has a negative impact on security in Xinjiang Autonomous Region where it is planned laying the OBOR routes.

The US no longer denies that the US-Chinese cooperation gradually comes to "negative point" because of the existence of a number of other serious problems: Taiwan, Tibet, North Korea, human rights, the growth of China's military power, etc. China, in turn, is concerned about the creation of a US missile defense system in the Pacific Ocean, the embargo on "sensitive" technologies, a huge imbalance in trade [24]. In addition, Washington would not allow Beijing to participate in "Trans-Pacific Partnership Agreement" in the Asia-Pacific region, which was signed in Atlanta in 2015 by 12 countries,

including Canada [25]. China also does not appear in either American project - the Transatlantic Alliance. And in the Middle East, through the Persian Gulf, which is under the control of the US Navy, comes the main export of oil resources to China. And in the case of the blockade of the route and the establishment of US control over oil supplies from the Middle East to the Chinese market, it could put Beijing in dependence on Washington's acceptance of the draft decisions on the implementation of "One Belt and One Road". The US and China, competing with each other for leadership in the Asia Pacific Region, generate tensions in the region. The increase in military power of South Korea, the presence of US military bases in Japan and the process of militarization of the country cause concern of Chinese strategists. In turn, if the Chinese will try to solve territorial issues in the South China Sea and connect Taiwan by force, it will strengthen the concerns of neighboring countries and the United States. In this context, the relationship with China will be developed according to the formula: coexistence, cooperation, competition, and, in extreme cases, controlled confrontation. [26] All this affects the laying the routes from China ports to the south the Pacific Ocean.

However, if comparing with China, the biggest problems related to the implementation of integration projects in Central Asia are present in Russia. They are also associated with the deterioration of US-Russian relations. Subject of controversy between the Russian Federation and the United States are: the expansion of NATO to the East; The Treaty on Conventional Armed Forces in Europe; Georgian-South Ossetian conflict; the creation of a missile defense system in Europe. Clear signs of growth of cooling the relations between Russia and the United States appeared in the spring of 2011 when during a visit to Moscow, US Vice-President G. Biden said about the unacceptability of Putin's candidacy for president of Russia for the American political establishment [27]. At the OSCE conference in 2012, Secretary of State Hillary Clinton,

commenting on Russia's proposals on the development of the Customs Union and the creation of the Eurasian Economic Union, called the plan "a new attempt to the Sovietization of the region" and said the United States is working on measures to prevent hostile to the interests of the West project. Therefore, Washington is focused on preventing any integration claims of Moscow [28].

In 2014, Russia by its actions in Crimea openly challenged the ability of the US as a world leader to maintain the existing world order after the collapse of the USSR. This behavior in the US perception was punishable under any circumstances. Otherwise, Washington's position could be shaken, not only in Europe but also globally. Therefore, Russia was inevitable to turn to a policy of containment. And it wears long-lasting character. The official position of the White House to the Kremlin has been tough and did not change until the end of the presidency of Barack Obama. In the event of coming to power as a result of the presidential election 2016 candidate for the post of leader of the Democratic Party - Hillary Clinton, it was expected the extension of sanctions against Russia. However, a candidate Donald Trump from the Republican Party has won the presidential election and expecting the changes in world politics. Republican leader Donald Trump, despite the pro-Russian rhetoric of the presidential campaign, after coming to power is unlikely to dare to change the overall US policy aimed at containing Russia within the framework of a new "cold war". Thus, under pressure from the United States, the countries located on the western border with Russia, became rapidly integrate with NATO and the EU followed by Washington in 2016 has extended for one year sanctions against the Russian Federation.

In addition to problems with the Western community in 2016, China, obviously, become the country with which Russia will have the most economic differences. For as long as "a turn to Asia," which declared Moscow after the imposition of



sanctions does not go beyond declarations. The Russian government does not have enough financial security plans for development of the Far East, so the most obvious conflict of interests of Russia and China will appear in the project of "advanced development" in the region and in the laying of the transport route of OBOR from China to European markets.

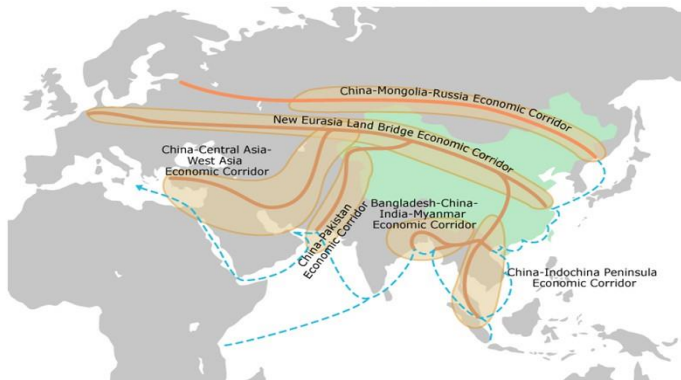
Moscow would like China to pave most of the "Silk Road" routs on the territory of Russia. However, Beijing analyzes other exit routes to Europe bypassing Russia (via Kazakhstan, Turkey, Azerbaijan and Georgia). This is consistent with the plans of the European Union which is also considering the possibility of entering into the Central Asia not through Russia but via Turkey and the Caucasus to implement its economic objectives, although some political element in these plans are presented (reorientation of Central Asia from Russia and China to Europe through a member of NATO - Turkey).

The Baltic countries are also competing with each other and with Russia for the opportunity to become a logistics hub for China, having access to the Baltic Sea. [29] They expect to replace the Russian ports with their harbors for OBOR cargo. Meanwhile Lithuania gains in the fight for the "Silk" cargo: in 2015 an agreement was signed between the Chinese corporation China Merchants Group (CMG) and Klaipeda Free Economic Zone, as well as with the port of Klaipeda. CMG plans to build a logistics park in Klaipeda, as well as to invest in the port and become a manager of one of its terminals. Latvia and Estonia have not yet demonstrated such success in the struggle for the Chinese cargo as Lithuania, but these countries have signified their intention to connect to the "New Silk Road". At the end of 2015 a business delegation from China visited Latvia where the director of CMG Hu Zheng announced China's plans to invest in Lithuanian ports after the analysis of their capabilities. Estonia also sees its ports part of the "Silk Road", because they are in comparison with Lithuania have a modernized infrastructure.

In such circumstances, the Russian ports competing for cargoes from the Baltic harbors, are at risk being left on the periphery of OBOR. However, the transit of goods to Europe via the Baltic States with "surrogate sovereignty" carries high risks for China. According to the expert A. Karpov "if they are told to block the transit, they will block it. Therefore, Russian chances of these cargoes are higher [30]. As a result, Moscow needs to promote the idea of the "northern" branch of "Silk" route to the Russian ports in the Gulf of Finland.

For Russia, there still remain other inter-state problems hindering the implementation of its integration projects. The most dangerous and costly one is with Ukraine, which wants to participate in the implementation of OBOR and its main transport corridors are addressed to Europe. Kiev intends to participate in the construction of the "Silk Road", planning to make a joint Ukrainian transport infrastructure with OBOR bypassing Russia. However, the financial default of Ukraine does not allow to realize this idea in the near future. In addition to that, Russia began the reconstruction and construction of railway lines, bypassing the territory of Ukraine [32].

**The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa**



**Map 3. The main corridors of the One Belt One Road Project**

And one more problem is that the project of OBOR on the territory of the Russian Federation proposed to be funded

through internal resources of Russia and China as well. However, a decrease in energy prices, general economic sanctions and confrontation made changes to the investment policy of the Russian Federation led to the devaluation of the ruble. The economic performance of the country for 2015 decreased by an average of 4%, incomes of the population is twice as much by 8-10%. In this case the Russian Federation's economic policy continues to tightly bind the ruble to the price of oil, which is constantly falling. At the same time, inflation is growing, in 2015 it has tripled compared to 2012, reaching 15.5%. And untie the ruble from oil in the near future is a task not feasible even from the Soviet era [33].

On this backdrop, the Russian Federation regularly restructures its foreign loans. All the years of its statehood Russia has forgiven debtors about \$ 140 billion, the amount that 3-4 times would cover the country's budget deficit in 2015-2016 and exceeds all transfers to the Russian regions from 2000 to 2015 [34]. So, the Russian Federation forgives the debt of completely secured Vietnam (9,5 billion USD), where it had to leave the military base in Cam Ranh. Libya (4.6 billion USD), with its impressive oil reserves shortly before the murder of Gaddafi; oil-rich Iraq (12 billion USD) after the pro-Russian regime was replaced by a pro-Western.

Nevertheless, a solution can be found. In order to solve the existing problems with the Chinese and Central Asian partners through project of OBOR, the ideal platform for this could be the SCO. Specificity of Central Asian countries measurement of the SCO consists that these states in its relations with Russia and China at the same time are the subject of policy in the fields of economy, security, and objects of the Russian-Chinese initiative. Such an object-subjective nature of the relationship is due, on the one hand, the independent status of Central Asian states with the right to an independent policy on the other, the difference between the economic and political potential of these countries compared to

Russia and China. Their economic superiority allows Beijing in cooperation with Moscow to initiate projects in the region, especially given the fact that the current multilateral economic cooperation poorly promoted in the framework of the SCO. By developing this cooperation in the framework of OBOR, Russian-Chinese relations in Central Asia will get new impetus, and the combination of mechanisms of interaction between the SCO and OBOR will enable the use of China's resources for the development of the Central Asian states and Russia. In this regard, it appears that the creation of the program of the "Silk Road Economic Belt" could become a catalyst for multilateral economic cooperation of SCO and held under the auspices of the Organization, in coordination with similar programs of other international institutions such as UNDP and UNESCO.

## REFERENCES AND LINKS

1. Lukin A. V. The idea of "Economic belt of Silk Road" and the Eurasian integration. "International life», №7, 2014.
2. The "Economic belt of the Silk Road and Maritime Silk Road of XXI century". State Committee for Development and Reform Commission, Ministry of Foreign Affairs and the Ministry of Commerce of China. Issued by the State Council in March 2015.
3. Eurasian Union. URL- <http://ruxpert.ru/TC>
4. The railway tracks in different countries. URL- <http://www.bygeo.ru/materialy/karty/713-zheleznodorozhnaya-koleya-v-raznyx-stranax.html>
5. URL- <http://moscowbeijing.ru/ru/ru-analytics/ru-infrastructure/kogda-i-kak-okupitsya-zheleznaya-doroga-moskva-kazan-pekín>
6. Zozulya V. Silk road - turn on Russia. Moscow-Beijing, January-February 2016., 12-13 p.

7. China in the world and regional politics. - M.: IFES RAS, 2003. - P.70.
8. Jarbussynova M. B. Central Asia: Threats and Challenges. Conference on Central Asia, Global Terrorism and Asia-Pacific Security, 2009.
9. Jakubowski V. B. Geo-economic importance of the Central Asian region. Problems of formation of the Shanghai Cooperation Organization and cooperation between Russia and China in Central Asia. - M.: IFES RAS, 2005. 109 p.
10. Ivanov E. M. Economic relations of Russia with the countries of Central Asia. Russian Institute of Strategic Studies. - 2006. - 127 p.
11. Starr, Frederick S. A Partnership for Central Asia // Foreign Affairs. 2005. July / August. URL-[http://www.cfr.org/publication/8937/partnership\\_for\\_central\\_asia.html](http://www.cfr.org/publication/8937/partnership_for_central_asia.html)
12. Morozov Y. The strategy of the West in Central Asia in the early XXI century. - AM: RAS IFES, 2016. -376 p.
13. Nezavisimaya gazeta. №001 (4243) by 14. 01. 2008
14. Evaluation of the current political situation in Russia. URL-[http://www.dumaem.ru/index.php?iq=st\\_show&pr\\_id=3&rm\\_id=2&tm\\_id=5&st\\_id=928&lid=0&](http://www.dumaem.ru/index.php?iq=st_show&pr_id=3&rm_id=2&tm_id=5&st_id=928&lid=0&)
15. Paramonov V. Geopolitics and Central Asia. URL-<http://www.irex.ru/press/pub/polemika/05/par/>
16. Krasnaya zvezda (Red Star) on 17.05.2006.
17. Bykov P. Big Game definitely will be over. URL-<http://archive.expert.ru/expert/05/05-40-86>
18. Russian WikiLeaks. 15.01.2011. URL-<http://ruleaks.net/1776>
19. URL- <http://www.km.ru/biznes-i-finansy/2011/11/03/voina-v-afganistane/kazakhstan-ratifikatsiya-dogovor-s-ssha-o-tranzite>
20. Nessar O. Afghanistan: from the economy of war to the economy of neighborhood // URL: [af@afghanistan.ru](mailto:af@afghanistan.ru)
21. Watanabe Yosikadzu. Military competition of the US,

- Russia and China. URL-  
<http://inosmi.ru/military/20160229/235569386.html>
22. Roemer E., Sokolsky, R., Stronsky P. The US Policy in Central Asia 3.0. URL-  
<http://inosmi.ru/politic/20160321/235793015.html>
23. Morozov Y. The US policy and strategy in a local war in Afghanistan and their impact on regional security. - M.: ISC RAS, 2015. - 200 p.
24. Holbrook R. The problems of US-China relations. The Wall Street Journal. URL-  
<http://inosmi.ru/world/20050531/219983.html>
25. Chun Y. China and TPP. China №11, 2015. p. 28.
26. Morozov Y. Prospects of Russian strategy in Northeast Asia in the XXI century. National interests priorities and safety. 2013. № 21. p. 34-45.
27. Solovyov E. Ukrainian rift in the US-Russian relations. URL- <http://www.perspektivy.info/print.php?ID=287471>
28. Brzezinski, Zbigniew. The Grand Chessboard. - M.: International Relations, 2009. - 280 p.
29. URL-  
[http://regnum.ru/news/economy/2049222.html?utm\\_source=info\\_x.sg](http://regnum.ru/news/economy/2049222.html?utm_source=info_x.sg)
30. Results of 2015: Russia kills Baltic ports, but Belarus and China are saving. IA REGNUM from January 6, 2016.
31. The Treaty establishing the Union State of Russia and Belarus on December 8, 1999. URL-  
<http://www.soyuz.by/about/docs/dogovor5/>
32. "The Silk Road" around barbed Ukraine. Pravda.Ru from 06/01/2015.
33. Aghanbegyan A. Thick broth. Who is more affected in the crisis - the population or business? Arguments and Facts, №6 on February 10, 2016.
34. Tregubova E. Forgiven billions. Arguments and Facts, №30 from 4 March 2014.