

Chapter 5

China's Emerging Political and Economic Dominance in the OSCE Region



Uraimov Marat

Abstract The presence of China in the OSCE region is becoming resilient, particularly after Beijing began providing infrastructural loans to OSCE states. The size of the issued infrastructural loans in less developed economies is disproportionate to national economies, resulting in the borrowing countries becoming incapable of paying back the loans. In this chapter, I argue that China's practices of infrastructural loans and China's overall standing on minority issues and democratization contradicts the OSCE core principles and undermines OSCE integrity. To illustrate this, I use, first, the example of the promotion of non-democratic practices through non-transparent procurement, surveillance of civilians, and supply of police hardware for suppression and control of political dissidents (based on evidence from Eastern and Central Europe, and Central Asia) and, for the second example, I illustrate the violation of minority rights in re-education camps in the Xinjiang region (based on political and civic reaction from Central Asia), which Chinese authorities call "Vocational Education and Training Centers." The first example helps to analyze how Chinese foreign loans contradict the democratic commitments of the borrowing countries. Chinese infrastructural loans promote non-democratic practices in borrowing countries through unfair, non-transparent procurement in infrastructural development projects. The Chinese side also provides surveillance systems and anti-protest police vehicles and ammunition which help to undermine individual rights and freedoms. The second example helps to analyze the reaction of Central Asian Muslim countries toward China's treatment of kin-groups, namely the lack of critical reaction of CA states despite their OSCE-membership and commitment toward promotion of individual rights and freedoms (including freedom of faith). China has been providing infrastructural loans to most OSCE member states over the past two decades; and these member states have not officially responded to Chinese treatment of their own

The present publication is the outcome of the project "From Talent to Young Researcher project aimed at activities supporting the research career model in higher education", identifier EFOP-3.6.3-VEKOP-16-2017-00007 co-supported by the European Union, Hungary and the European Social Fund.

U. Marat (✉)
Doctoral School of International Relations and Political Science, Corvinus University of
Budapest, Budapest, Hungary
e-mail: marat.uraimov@stud.uni-corvinus.hu

kin-groups, such as Kazakh, Kyrgyz, and Uyghur minorities—according to the OSCE core principles on minority rights. The OSCE core principles are categorized under the “human dimension” to ensure OSCE states’ “respect for individual rights and fundamental freedoms” and their commitment to “abide by the rule of law; promote principles of democracy; strengthen and protect democratic institutions” Yamamoto (2015). Most likely if there were no infrastructural loans from China, the OSCE countries under analysis would respond to Chinese domestic policy toward ethnic minorities critically. Most likely, by providing surveillance and police machinery, China tends to support the existing political regimes in borrowing countries and, by its non-transparent procurement, it does not encourage enforcement of laws.

Keywords Infrastructural loans · Minority issues · Democratization · OSCE · OSCE-states · OSCE-principles · Non-transparent procurement

5.1 Introduction

China’s emerging political and economic dominance in the OSCE region and its consequences for development and transformation can be best illustrated by the case of Chinese infrastructural loans in the region. The reasons and need for these loans date back to the beginning of the OSCE in the 1990s in the aftermath of the collapse of communism. In the newly emerged states, an economic and political vacuum appeared across the Central Asian region. In response, emerging and great powers sought to increase their influence and presence in the region, through organizations such as the BRICs and the European Union.

Other organizations such as the OSCE slowly became a player in maintaining regional security, political transition and democracy, which became a new political ideology to secure economic development at large. Meanwhile, a political transition in this region was in some states more successful, such as in the Baltic states or Central Europe, or less a success as in Tajikistan (Foroughi 2010) and post-Yugoslav states (Woodward 1995) which endured periods of civil war and severe conflict. Economically, these states faced more difficulties such as hyperinflation and productivity deficits and looked for any economic and financial opportunity from abroad (Gordon et al. 2013; Sakwa and Webber 2010). Soon, but not among the first, Chinese loans and investments gained more and more influence, even before the official launch of the 2013 Belt and Road Initiative (BRI). Since the 1990s, Chinese investment and enterprises in the OSCE region became resilient, particularly after Beijing began providing foreign aid and foreign investment to OSCE states in Albania as early as in the 1950s (in the form of development aid among communist states) and in Central Asian states since the 1990s (Copper 2016a, b). The size of issued infrastructural loans and investments in less developed economies is disproportionate to their national economies, resulting in the borrowing countries becoming incapable of paying them back.

In this chapter, I will illustrate and argue that China's practices of infrastructural loans and its contradicting policies conflict with the OSCE core principles and undermines OSCE integrity in terms of observing individual rights and fundamental freedoms and rule of law. China, in contrast to Western countries, puts human rights and democratization issues secondary, because China emphasizes the importance of and thus gives priority to "securing economic and security interests" along with "regime survival" (Chen and Kinzelbach 2015).

This is best exemplified by the Chinese promotion of non-democratic practices, for example, non-transparent procurement, surveillance and police hardware for suppression and control of political dissidents; and the responses and reactions of OSCE member states overall in Central Asian states toward re-education camps in the Xinjiang region that imprison their kin-groups.

Although on the UN level these states oppose Chinese policies in the Xinjiang region in Northwestern China, the Kazakh and Kyrgyz governments did not officially respond¹ to Chinese treatment and human rights violations of Kazakh, Kyrgyz and Uyghur minorities in China. One could argue that if there were no infrastructural loans and investment policies from China, Central Asian States would respond to Chinese domestic policy toward ethnic minorities critically. China tends to support the existing political regimes in borrowing countries and its non-transparent procurement does not encourage enforcement of laws.

This argument can best be illustrated by benchmarking Chinese domestic policies toward its national minorities against OSCE and ODIHR core commitments, mandates, and functions. For example, the mandate of the OSCE High Commissioner on National Minorities (HCNM) and the OSCE Office for Democratic Institutions and Human Rights (ODIHR) has the aim to stress OSCE's standing as an organization that stands for minority rights and freedoms, as well as its democratization efforts. Later, the chapter discusses China's infrastructural loans (major projects) in the OSCE states and argues for China's promotion of non-democratic practices in the OSCE region, namely it discusses promotion of non-transparency, supply of surveillance and police hardware for suppression and control of political dissidents in less developed OSCE member states. The final part examines re-education camps in Xinjiang and the reaction of the OSCE participating states receiving Chinese funds, in particular the Kyrgyz and Kazakh governments.

5.2 China's Economic Policies

China has become one of the world's most rapidly growing economies over the last 40 years thanks to Deng Xiaoping's unprecedented economic reforms of 1979. Since 2010 after surpassing Japan, it has been the world's second largest economy

¹ They officially responded that this matter is Chinese domestic policy and Chinese domestic affairs to which they cannot interfere. In other words, the Chinese action has been approved despite it breached OSCE and other international norms on minority treatment.

in terms of real gross domestic product just behind the United States. It was only in the mid-1970s when Beijing launched its “open door” policies. In 1982 the country adopted an “independent foreign policy” framework (Lijun 1994). With the aim of opening China to the world, China initially launched so-called “special economic zones.” These economic zones were designed to support the export of Chinese goods following Deng Xiaoping’s emphasis on development of foreign economic relations and the Politburo’s third plenum meeting decision in 1978 (Ibid.). Initially, four economic zones were established in 1979, but later in 1984, given the successful experience with existing economic zones performance, the Politburo approved the status of “special economic zones” in fourteen other seaside cities and the island of Hainan (Barnett 1985).

According to Garver (2016), the Chinese economic rise that took root after the “open door policies” consists of two major steps: (1) promotion of export and (2) import of technology. The author continues, noting that China imported technology with the profits it gained from exports (Ibid.). Imported technology was utilized to improve the competitiveness of Chinese products, including technology. However, from 2005 a new task was set up, according to which China was not targeting the import of new technology, but rather making an effort to “turn the PRC into a global leader in technological innovation” by 2050 (Garver 2016, p. 699). According to this plan, China aims to become a world “center” of technology and innovation.

Despite a long year history of Chinese aid, there is no agreement on how to properly define it. Although China officially declares its foreign aid and/or foreign investment as “South-South cooperation” in the White Papers issued in 2011 and 2014, and in other official publications, China avoids using certain terms for its financing (Carter 2017, p. 2). The White Paper only presents five principles of Chinese financing for how to deliver aid (State Council 2011, 2014). The White Paper does not differentiate between types of existing financing instruments, but prefers to list “grants (aid gratis), interest-free loans and concessional loans,” and eight forms of aid known as “complete projects, goods and materials, technical cooperation, human resource development cooperation, medical teams sent abroad, emergency humanitarian aid, volunteer programs in foreign countries, and debt relief” under the category of “Chinese financial aid flows” (State Council 2011).

China’s format of aid is different too. Bräutigam, for example, notes that China does not provide financing to other countries in cash, despite emergency situations (Bräutigam 2009). She also notes that Chinese financing is usually “delivered in kind, as exports of Chinese goods and services” (Ibid., p. 125). Others stress the “government-to-government” model that leads the Beijing-way of investing (Carter 2017, p. 2; Poskitt et al. 2016, p. 5). However, this model gives little room for other non-state or private actors to be part of the negotiation processes (Bräutigam 2009; Copper 2016a, c; Tian 2018). In addition to the lack of agreement on Chinese foreign investment, Bräutigam argued that China’s aid programs lack transparency and therefore create uncertainty (2011).

Finally, China tends to support non-democratic governments that show a high level of corruption (Bräutigam 2009; Copper 2016a, b, c; Dave 2018; Tian 2018; Toktomushev 2018), for example in Tajikistan or Turkmenistan.

Against this backdrop, one can conclude that China is pragmatic and considers merely economic incentives vis-à-vis governments, therefore it is not concerned about partnering with undemocratic systems. On the other hand, Chinese loans are attractive for most developing countries or countries under crisis because China does not ask for a political conditionality in exchange, let alone any positive human rights record. Loans and grants of the World Bank, European Union or US financial institutions, in contrast with the Chinese government, are accompanied with conditions related to economic reforms, democratic governance, observance of human rights and freedoms, transparency, etc., making financing access difficult to less-democratic regimes (Copper 2016c). Copper (2016c), in his book “China’s Foreign Aid and Investment Diplomacy,” wrote: “*Western aid, including US Foreign assistance is also said to be “tied” to efforts to promote democracy and human rights, which makes it less effective in promoting development and thus less attractive to African leaders.*” (p. 82).

Therefore, there is a tendency for less democratic developing countries to prefer contracting with Chinese rather than other investment giants, which impose their own conditionality such as rule of law-based compliance and requirements, as well increasing the transparency of investments and level of accountability. China observes non-intervention principles into the internal affairs of investment-recipient countries and allows them to choose own development model (Tian 2018).

This makes China a flexible investor in comparison with the western investors that put forward many conditionalities. For example, since 1960 China has invested in African countries dominated by patronage politics, such as Zimbabwe, Sudan, Democratic Republic of the Congo and Zambia in Africa and Myanmar, Burma and Cambodia in Asia (Copper 2016b, c), whereas western investors do not risk investing in volatile unstable countries (Kazianis 2011). Finally, China tends to solve domestic problems through providing foreign investment. For example, China provides foreign investment to Muslim countries like Indonesia because it “proved an effective tool” (Copper 2016b, p. 2) to build diplomatic relations and polish its bad reputation vis-à-vis Muslim countries and hence to resolve its own “Islamic problem at home and with countries of the Middle East.” (Ibid.)

Less democratic states within the OSCE region and with weak state institutions are also primary aid receivers from Beijing. These regimes risk managing aid in non-transparent and unaccountable ways, resulting in debts. Beijing’s loans are ostensibly opaque and troublesome to weak states and put these countries in over-debt and dependent on China. For instance, in 2020, Kyrgyzstan’s external debt to China reached 1,774 million USD, while the country’s budget is 163 billion Kyrgyz soms.² Thus, China remains a leading loan-owner for Kyrgyzstan. According to the report issued in 2018 by the Center for Global Development, Kyrgyzstan is listed among

² Ministry of Finance of Kyrgyz Republic. 2018. “Структура государственного внешнего долга КР по состоянию на 31.05.2020 года—Новости ведомства—Министерство финансов Кыргызской Республики.” (The structure of the state external debt of the KR as of 31.05.2020—Department news—Ministry of Finance of the Kyrgyz Republic) Accessed at <http://www.minfin.kg/ru/novosti/mamlekettik-karyz/tyshky-karyz/2020-zhyldyn-31-mayyna-karata-mamlekettik-tyshky-k>.

eight states which are overly indebted to China and could suffer from debt distress. The report states: “*We find that of the 23 countries identified above, there are 10–15 that could suffer from debt distress due to future BRI-related financing, with eight countries of particular concern. These countries are Djibouti, the Kyrgyz Republic (Kyrgyzstan), Lao People’s Democratic Republic (Laos), the Maldives, Mongolia, Montenegro, Pakistan, and Tajikistan.*” (Hurley et al. 2018, p. 11).

Four Central Asian OSCE member states (Tajikistan, Kyrgyzstan, Montenegro, and Mongolia) are highly indebted due to the disproportionate size of loans compared to the countries’ GDP. China’s resulting economic policies pose many challenges. For instance, Tajikistan was already unable to pay back a Chinese loan in 2011 and was forced to cede 980 km² to Beijing (Karrar and Mostowlansky 2020) and in 2019 the Tajik government was criticized for leasing Tajik land to a Chinese mining company.³ In 2020, as the Kyrgyz government was not able to service its debt to China, they attempted several times to request Beijing to reschedule and restructure the debt, but China kept silent in response. The Kyrgyz government sought help from the population and launched a money collection campaign to return the debt.⁴

As a consequence, China is often depicted both as a peaceful power and as a “threat” or “neo-colonial” power, and authors like Yahuda note that Chinese leaders endeavor to deny the political consequences of economic relations (Yahuda 1997). Whereas others, such as Heilmann and Schmidt, note that China has increasing geo-political aspirations by highlighting that “Chinese leaders have decided to play a larger role in shaping international mechanisms through the G20, becoming a “rule maker” rather than a “rule taker” when it comes to such things as regulating financial markets, stabilizing the international monetary system, and preventing protectionist practices” (2014, p. 27).

On the local level, for example, in relations between the South-East Asian Economic Association (ASEAN) and China, there are complaints about unfair trade relations. For example, Indonesian and Thai producers claim that their markets are flooded by Chinese goods, while Malays worry that China’s increasing influence might turn into a threat (Ibid.). This bias in trade relationships will not easily be resolved despite the 2020 agreement on a trade union between China and ASEAN.⁵

Similar tensions occurred between China and Central Asian states in response to the inflow of Chinese workers into construction works and an anxious labor market. For instance, in Tajikistan, a non-experienced Chinese firm took construction of the Dushanbe–Khujand–Chanak highway in 2010 despite there being local companies with good experience (see Pantucci and Lain 2017). For example, in 2017

³ Radio Free Europe, Radio Liberty. 2019. “Silver Lining? Tajikistan Defends Controversial Decision To Give Mine To China.” Accessed at <https://www.rferl.org/a/silver-lining-tajikistan-defends-controversial-decision-to-give-mine-to-china/30199786.html>.

⁴ Радио Азаттык. 2021. “Өкмөт бюджет толтурууда элден жардам сурайт.” (Radio Free Europe, Radio Liberty. 2021 The government is asking its population for help with budget shortfalls) Accessed at <https://www.azattyk.org/a/kyrgyzstan-budget-help/31036352.html>.

⁵ VOA News. 2020. Trade Deal Raises Questions About China’s Dominance. Accessed at <https://www.voanews.com/east-asia-pacific/trade-deal-raises-questions-about-chinas-dominance>.

in Kyrgyzstan,⁶ and in 2009, 2010, 2012, 2014, 2015 and in 2018 in Kazakhstan,⁷ Chinese labor in local markets led to public dissatisfaction and even resulted in violent conflicts between Chinese workers and local residents. Later in 2019, so-called “Chinese expansionism” was blamed during public protests that gathered more than 300 people in Bishkek, the capital of Kyrgyzstan⁸ and which continued in 2020. In Kazakhstan, the protestors were demanding transparency when dealing with China, while in Pakistan⁹ and in Kyrgyzstan¹⁰ rallies were held against depleting natural resources being exploited by China.

Depending on the recipient country's economic and resource capacity, China pursues either political or economic benefits, or even both. However, this is not to say that trade and commerce are more important for China than its political interests or vice versa. Many scholars note that China has been successful in applying its economic strength by providing aid and loans to accomplish its foreign policy objectives. Among its successes cited is recognition of the One China policy and political support in international arenas for China's game-changing behavior on different agendas, including human rights. Today, Chinese infrastructural loans are issued to Chinese partner states—along with its political conditionality—in search of natural resources, enhancing trade connections and establishing new market zones.

5.3 Chinese Investments in the OSCE Region

Chinese investment interests in the OSCE region have matured since the 1990s after the initiation of the so-called second phase of “foreign investment” in the 1980s with pragmatic considerations promoting trade and commerce (Copper 2016a). More precisely, Chinese foreign investment into and infrastructural loans to other countries, with its economic and political gains, have been provided after 1978 when Deng

⁶ Радио Азаттык. 2013. “Массовая драка в Куршабе. ФОТО.” (Radio Free Europe, Radio Liberty. 2013 Mass fight in Kurshab. Photo.) Accessed at https://rus.azattyk.org/a/kyrgyzstan_kurs_hab_mass_brawl/24819123.

⁷ КАРАВАН Медиа Портал. 2018. “Противостояние казахстанцев и китайцев: в чем причина конфликтов, происходящих на китайских нефтяных предприятиях.” (Karavan Media Portal. 2018. Opposition of Kazakhs and Chinese. What causes conflicts occurring in Chinese oil enterprises.) Accessed at <https://www.caravan.kz/news/protivostoyanie-kazakhstancev-i-kitajjcev-v-chem-prichina-konfliktov-proiskhodyashhikh-na-kitajjskikh-neftyanykh-predpriyatyyakh-423556/>.

⁸ Радио Азаттык. 2019. “Чем может обернуться для Кыргызстана усиление антикитайских настроений?” (Radio Free Europe, Radio Liberty) Accessed at https://rus.azattyk.org/a/kyrgyzstan_china_politics/29703213.html.

⁹ Nikkei Asian Review. 2018. “Pakistan struggles to contain rise of anti-China sentiment.” Accessed at <https://asia.nikkei.com/Spotlight/Belt-and-Road/Pakistan-struggles-to-contain-rise-of-anti-China-sentiment>.

¹⁰ Радио Азаттык. 2018. “В Кадамжае началось расследование по факту удержания китайских предпринимателей в контейнере.” (Radio Free Europe, Radio Liberty) Accessed at <https://rus.azattyk.org/a/29513370.html>.

Xiaoping resumed power as head of the Chinese communist party and government. Under his unprecedented economic reforms, China has embarked on a free-market capitalist economy path which boosted the country's economic growth by opening its doors to Foreign Direct Investments (FDI) and international trade. As a result, the Chinese ability to sustain high savings and low consumption rates could increase the Chinese potential of giving and offering infrastructural loans, mostly in a manner of traditional "tribute diplomacy," especially when it comes to small developing states with minor geopolitical significance.

Due to the unequal economic development of OSCE region since the early 1990s, the former post-Soviet as well as Balkan states are most vulnerable to Chinese attractive infrastructural loans, despite development and investments efforts have been carried out by other stakeholders such as the European Union (Pavličević 2019). These countries have been destinations for Chinese FDI, in particular after and during global financial crisis of 2008. For instance, there are more than 1600 "green" Chinese enterprises in the EU countries of South East and Eastern Europe, which employ more than 50 thousand local workers (Szunomár and Biedermann 2014). However, it should be noted that Chinese state-owned enterprises are also perceived as a subject for "political guidance directly from the Communist Party," because around 72% of Chinese investments in Europe came from state-owned enterprises. Meanwhile, engagement of the Chinese private investor sector is low (Ibid., p. 24).

Since 2013, the BRI project has been the most discussed investment project in the OSCE region. It aims to connect countries and regions with China through its land and sea routes and crosses the entire region via pipelines, railroads, roads, and air.¹¹ Millions of Chinese cargo containers cross the region every year by land and sea routes,¹² for instance, through newly-built railroad going from China through Kazakhstan the number of cargo containers have increased from 2,000 containers in 2011 to 42,000 containers in 2015¹³ in this Eurasia region, China had begun to provide infrastructural loans much earlier than when it announced the BRI. It is important to note that through the BRI, China contributes to the promotion connectivity benefiting economic growth and development of OSCE member states by increasing the flow of trade and investment and by developing and maintaining transport infrastructure (Wolff 2018). According to two White Papers that were issued in 2011 and 2014 by the Chinese government, the policies intend to connect infrastructure of countries under the BRI to enable buying and selling, to promote open markets, enhance and build joint financial markets with China, and to reinforce "people-to-people"

¹¹ Mercator Institute for China Studies. 2018. Mapping the Belt and Road Initiative: this is where we stand. Accessed at <https://merics.org/en/analysis/mapping-belt-and-road-initiative-where-we-stand>.

¹² Freight Waves. 2019. Port Report: China's massive growth in ocean box shipping and over-the-road trucking. Accessed at <https://www.freightwaves.com/news/port-report-chinas-massive-growth-in-ocean-box-shipping-and-over-the-road-trucking>.

¹³ Forbes. 2016. Why The China-Europe 'Silk Road' Rail Network Is Growing Fast. Accessed at <https://www.forbes.com/sites/wadeshepard/2016/01/28/why-china-europe-silk-road-rail-transp-ort-is-growing-fast/?sh=2557054659ae>.

contacts.¹⁴ China is largely investing in the improvement and construction of transport infrastructure connecting Beijing with the west and the rest of the world. In this context, the OSCE member states in Central Asia and East-Central Europe have become transit corridors for Chinese commodities, as have Kazakhstan, Serbia and Poland, on the way to the western parts of Europe, including to Germany, Italy and France.

5.4 OSCE Policies on National Minorities and Democratization

The OSCE High Commissioner on National Minorities (HCNM) and Office for Democratic Institutions and Human Rights (ODIHR) are the two main structures within OSCE along with others which work to ensure and to promote minority rights and democratization in the OSCE region. Their norms and standards in transparency, accountability and participation, and their overall respect for minority and human rights in the OSCE region often have been hindered by foreign investments and policies of third countries, such as China, (Bräutigam 2009; Copper 2016a, b, c; Dave 2018; Tian 2018). HCNM and ODIHR run their offices and programs throughout the OSCE region, with intense activities, in particular in post-Communist states in Eurasia. Post-Communist OSCE member states are described as weaker democracies and economies and yet with a number of ethnic, linguistic and religious minority groups issues concerning OSCE's two main structures (Dave 2018; Tian 2018). The recent report issued by a democracy measurement project at the University of Gothenburg in Sweden, the V-Dem research project, overall demonstrates that democratic backsliding in the region is worryingly occurring broadly in post-Soviet countries (see Lührmann and Lindberg 2019). This backsliding opens the doors to non-transparent, opaque and "governments only" agreement between China and its counterparts (Bräutigam 2009; Copper 2016a, b, c; Tian 2018). Yet, OSCE minority, democratization, and human rights policies programs are aimed at avoiding exactly this, namely that the governments were transparent and less able to make economic or trade agreements behind closed doors without including other actors or groups that are affected by it in the negotiation process (Mihir 2020).

Back in July 1992, as a response to inter-ethnic tensions after the fall of communism and the collapse of the Soviet Union which led to the establishment of many new republics that are today the main target of Chinese investments, the Helsinki Summit decided to establish the OSCE High Commissioner on National Minorities due to the alarming rise of violence and discrimination against ethnic, linguistic and religious minorities in the OSCE region. HCNM has ever since developed an alerting and conflict prevention mechanism, and according to its mandate the High Commissioners' office in The Hague carries out "early warning" and, as appropriate,

¹⁴ Mercator Institute for China Studies. 2018. "Mapping the Belt and Road initiative: this is where we stand." Accessed at <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-initiative>.

‘early action’ at the earliest possible stage in regard to tensions involving national minority issues” (Diacofotakis 2002). HCNM works independently, in a confidential manner and applies a “quiet diplomacy” approach. The High Commissioner undertakes regular visits to the OSCE member states to assess national minorities’ situation and provides recommendations to governments to improve inter-ethnic relations. According to key principles and guidelines adopted since 1996,¹⁵ and to the ODIHR’s activities such as human rights monitoring, OSCE participating states commit themselves to observe and promote minority rights, individual rights and freedoms, rule of law and democratic values in general.

However, since China began its financial intervention, these values among OSCE participating states increasingly became of little importance, at least because of their financial dependence, if not because of the fear of losing a “sponsor.” In particular, tender procedures of the OSCE states are undermined because the Chinese side intervenes into domestic procurement regulations, for example, resulting in a breach of rule of law in the OSCE region. Chinese surveillance equipment and police machinery received by some OSCE member states such as Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan, as part of unspecified bilateral agreement, are used to monitor and suppress opposition protests, breaching OSCE core principles of individual rights and freedoms. Finally, the Kyrgyz and the Kazakh governments did not, so far, officially respond to Chinese treatment of their kin-groups in Xinjiang, even after the launch of international reports in 2017 that illustrated the breach of minority rights, individual rights and freedoms in the North-Western Chinese province. According to human rights watch report (2018), “Xinjiang’s domestic policy¹⁶ has also had implications abroad. [...] targeting people with connections to an official list of “26 sensitive countries”, including Kazakhstan, Malaysia [...]” (p. 4). These countries are characterized as “the governments [having] close relationship with Beijing” (p. 5). For instance, Kazakhstan preferred “developing good relations with China” to “supporting ethnically and culturally close Uyghur population in Xinjiang” (Burkhanov 2018, p. 154). Based on it, “the Chinese government has stepped up pressure on other governments to forcibly return Uyghurs in their countries to China” (p. 4). It might indicate that Chinese partner-countries are not only in solidarity with each other regarding the Chinese principle of non-interference but also “supports Beijing’s fundamental diplomatic and political stances prior to receiving any funding” (Tian

¹⁵ HCNM core documents are: The Hague Recommendations Regarding the Education Rights of National Minorities and Explanatory Note (1996), The Oslo Recommendations Regarding the Linguistic Rights of National Minorities and Explanatory Note (1998), The Lund Recommendations on the Effective Participation of National Minorities in Public Life and Explanatory Note (1999), Guidelines on the use of Minority Languages in the Broadcast Media and Explanatory Note (2003), Recommendations on Policing in Multi-Ethnic Societies and Explanatory Note (2006), The Bolzano/Bozen Recommendations on National Minorities in Inter-State Relations and Explanatory Note (2008), The Ljubljana Guidelines on Integration of Diverse Societies and Explanatory Note (2012).

¹⁶ Beijing introduced specific policy “Strike Hard Campaign against Violent Terrorism” in Xinjiang, a tool used by local governments to effectively fight crime, that have been “highlighted the abusive nature of these drives” leading “to numerous arbitrary arrests and summary executions” (Human Rights Watch 2018, p. 12).

2018, p. 26). Hence, one can correlate that the financial dependence to China of some member states is challenging the integrity of OSCE principles as outline by HCNM and ODIHR.

5.5 Non-transparent Policies in OSCE Region

Not long after China announced the BRI in 2013, its investment and loan policies became key world financing strategies. As stated earlier, China is providing foreign aid, loans and infrastructure investments to developing countries, including the OSCE region. Central Asian Countries, as well as countries in Western Balkan or Belarus, are key target countries for Chinese investments and loans.¹⁷ However, it is important to note that these states might receive infrastructural loans and investments under different conditions because there are not yet any single loan issuing regulations introduced by Beijing to manage its capital (Copper 2016a; Dave 2018). It is likely that China is applying multifarious approaches in designing its capital to look unique and different from traditional donors and creditors (Ibid.). As practices of financing infrastructure projects demonstrate, Beijing is using its economic strength for attaining its long- and short-term goals. In other words, the way China provides investment and infrastructural loans is designed not only to manipulate but also to outmaneuver established international and regional rules and norms (Ibid.). Chinese investments and infrastructural loans tend to support non-democratic practices (Bräutigam 2009; Copper 2016a, b, c; Dave 2018; Toktomushev 2018). One can speak in turn about non-transparent procurement by Chinese companies and Chinese goods, Chinese support of surveillance and provision of police equipment which is used by the incumbent regimes to repress and control political dissidents (Cave et al. 2019; Dave 2018; Tian 2018).

First, Chinese investments and infrastructural loans in the OSCE region are accompanied by Chinese goods and products, Chinese labor forces and workers (See Laruelle 2018). It is argued that infrastructural projects rely on Chinese companies and Chinese labor to guarantee efficient investment given that underdeveloped countries where China bankrolls projects can be lacking in professionals with required technical skills. However, the Chinese “guaranteed contract” approach promotes non-transparency and violates domestic procurement policies, which contradicts the

¹⁷ According to China Global Investment Tracker (CGIT), Kyrgyzstan between 2013 and 2020 has received in total USD 4.34 billion foreign investment and construction finances. Because the amount cited by CGIT is larger than the total debt of Kyrgyzstan to China, these numbers might include other unspecified foreign aid, including police machinery and ammunitions. Tajikistan, in contrast to Kyrgyzstan, received its biggest share of loans during the pre-BRI period. Tajik total foreign investment between 2013 and 2020 amounted to USD 540 million which is 25% of the total numbers Tajikistan received since 2005. With regards to Belarus, CGIT reports that the country received in total USD 6.03 billion from 2005 to 2020. Similar to Tajikistan, the largest share (around 70%) Minsk received comes to the pre-BRI period.

OSCE's rule of law and anti-corruption commitments. China's way of doing investment in OSCE member countries contributes to anti-democratic and non-transparent practices. In the OSCE participating states discussed below, China is both an investor and contractor with a potential winning position that questions its transparency.

In 2015, Hungary—which is facing a serious investigation by the European Commission for its breach of rule of law and high level of corruption—was the first European country that welcomed China's BRI under which a 350 km railway road between Budapest and Belgrade in Serbia was planned. The Budapest and Belgrade railway connection was planned to be invested in by China and partially by Hungary. The non-transparent procurement process for the Chinese investment to construct a high-speed railway connection between Budapest and Belgrade resulted in serious discussions among the EU administration and western countries. The 166 km section in Hungary on the Budapest-Belgrade high-speed railway, which has an estimated value of USD 2.9 billion, became a procurement scandal case in 2017, according to the Warsaw Institute (2019), because it breached the EU procurement procedures as no public and transparent tender was announced. The Chinese company took a "guaranteed contract" and was considered as a preferred contractor to construct the railway in 2020. The EU's accusation of a non-transparent procurement by Hungary resulted in a special investigation commission by the EU to check the issue of the EU's internal procurement regulations breach (Ibid.).

In a similar way, in other Eastern and Central European states, China again promoted non-transparent procurement. In Montenegro, although not an EU member state, China used its own company to construct a road to connect Bar port with Serbia with an €800 million loan from the Exim Bank of China.¹⁸ Whereas in Macedonia China had invested and launched the construction of a 57 km road connection with a €373 million loan from Exim Bank of China by the state-owned Chinese Sinohydro company, the project was later stopped by the Ministry of Transport and Communication due to incompliance that disadvantaged the state budget for a sum of €155 million.¹⁹

The EU's concerns about Chinese engagement within EU member states, as well as in its neighboring states—of which many seek long-term membership in the EU—as the investor and contractor in 16 + 1 states, are legitimate. Chinese investment practices violate both domestic and EU procurement rules and procedures, according to which these practices are evaluated as non-transparent and non-competitive.

Unlike Eastern Europe, Central Asian states are even more vulnerable to Chinese non-democratic practices because they are not EU members nor under EU membership consideration. Therefore in these countries, EU norms and standards concerning protection of fundamental rights and freedoms are not under consideration when it comes to receiving infrastructural loans, let alone negotiation of respective issues between the governments of borrower and loan issuer (see Laruelle 2018). For

¹⁸ Reuters. 2014. "Montenegro, China's Exim Bank agree \$1 billion highway deal." Accessed at <https://www.reuters.com/article/montenegro-highway-idUSL5N0SP4BI20141030>.

¹⁹ Balkan Insight. 2017. "Poor Planning Halts Macedonia Highway Projects." Accessed at <https://balkaninsight.com/2017/06/20/poor-planning-halts-macedonia-s-highway-projects-06-20-2017/>.

example, Kyrgyzstan's procurement in favor of a Chinese company in 2017 became a true nightmare while modernizing its largest heating plant.²⁰ The Chinese company, the Tebian Electric Apparatus company (TBEA), rehabilitated and equipped "TEC Bishkek" under Chinese infrastructural loans in 2017.²¹ However, the heat plant experienced an accident (leakage) right after its renovation.²² Local popular grievances after the accident resulted in serious investigations and imprisonments of high-rank state officials with corruption charges.²³ As was later revealed, the Chinese contractor of the "TEC Bishkek" never provided the Kyrgyz government with a detailed budget. Prices in the budget were unrealistically increased.²⁴ The Kyrgyz side seemed to be aware only about a total amount of budget without its per-item prices. The notorious Chinese TBEA company was also a contractor to construct the Datka-Kemin electricity transmission line project in June 2012 in Kyrgyzstan.²⁵ Under the Datka-Kemin electricity transmission line project, two objects were constructed: (1) a national power transmission line from Datka to Kemin and (2) a substation in Kemin. The total cost of the project was evaluated at 389.74 million USD.²⁶ Despite the project being successfully accomplished in 2015, in 2018 it was discovered that the budget was groundlessly increased against market prices.²⁷ With the rise of BRI, Kyrgyzstan is anticipating a number of BRI-related infrastructure project loans supplied by the Chinese EXIM Bank. These include several hydropower plants, a railway connecting China, Kyrgyzstan, and Uzbekistan, a number of road constructions, and the finalization of Central Asia–China gas pipeline, during the implementation of which non-transparent procurement in favor of China is most likely to occur.

In the same way, when constructing highways in Kyrgyzstan with Chinese infrastructural loans, only Chinese labor was used despite the local labor surplus.²⁸ Exclusively Chinese companies were involved in construction activities using exclusively Chinese labor and recruiting only a modicum of local labor—mainly for administrative and translation purposes (Garibov 2018; Jaborov 2018). During the construction of the Bishkek–Naryn–Torugart corridor, Chinese labor prevailed over local (Dirk van der Kley 2020). Of note is that Kyrgyz labor migrants in Russia and Kazakhstan

²⁰ The New York Times. 2019. *A Power Plant Fiasco Highlights China's Growing Clout in Central Asia*. Accessed 20 September 2020. <https://www.nytimes.com/2019/07/06/world/asia/china-russia-central-asia.html>.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ Азаттык Ыналгысы. 2018. "Датка-Кемин экинчи ЖЭБ болобу?" (Radio Free Europe, Radio Liberty. 2018. Would Datka-Kemin be the second TEC (Heat power plant)) Accessed 20 September 2020. https://www.azattyk.org/a/kyrgyzstan_energy_corruption/29488097.html.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Радио Азаттык. 2015. "В Кыргызстане 70% иммигрантов—граждане из Китая." (Radio Free Europe, Radio Liberty 70% of immigrants in Kyrgyzstan—citizens of China) Accessed 20 September 2020. <https://rus.azattyk.org/a/26936205.html>.

by February 2017 made up 594 thousand people,²⁹ clearly demonstrating the internal labor surplus in Kyrgyzstan. This practice does not bring in any social capital development or contribution to the well-being of communities along the BRI.³⁰ According to some, China needs to employ its workers abroad in order to affect the unemployment situation in China, which has been a problem for Chinese leaders as it could “engender social and political instability” (Copper 2016b, p. 120). However, one of the main reasons behind the usage of Chinese labor forces and workers, as well as using only Chinese products in infrastructure projects abroad (Copper 2016a, c; Jaborov 2018), including the artificial increase of market prices, as the case of TEC Bishkek³¹ confirmed, is because Beijing tries to significantly save on its expenses (see Laruelle 2018). In other words, much of the capital is returned back to China, minimizing its risk of investment returns (Ibid.). Taking this into consideration, it might be true that China stands in a winning position.

Second, along with Chinese infrastructural loans, OSCE member states in Central Asia received security-related equipment³² and support in an effort to maintain agreements with the countries’ leaders on infrastructural loans with Beijing’s relative winning terms and position unquestioned. China’s achievement of relative gains with weak governments can be explained by recipient country leaders’ personal interests throughout the whole process of loan agreements (Bräutigam 2009; Copper 2016a, c; Tian 2018; Toktomushev 2018). Since the terms and conditions of infrastructural loans are kept secret and could be known only to the leaders of recipient countries (Ibid.), incumbent leaders appear to be convenient for China to cooperate with until loan-related interests and goals are no longer being attained (Ibid.). For instance, a bilateral infrastructural loan contract between China and Malaysia signed in 2016 was recently questioned by Mahathir Mohamad, the new Prime Minister of Malaysia, after an assessment of the loan contract signed by his predecessor Najib Razak found that the terms of the deal were not favorable to Malaysia.³³

As a result of raising and uncovering unknown details of a “secret” project, China had to reconsider and had no other choice than to give concessions.³⁴ To avoid

²⁹ Российский совет по международным делам (РСМД), Аналитики и Комментарии. 2017. “Кыргызстан в ЕАЭС: результаты участия. Часть вторая.” (The Russian Council on Foreign Affairs (RSMD), Analysts and Comments. “Kyrgyzstan in the EAEU: participation results. Part two.”) Accessed at https://russiancouncil.ru/analytics-and-comments/columns/eur-asian-economy/kyrgyzstan-v-eaes-rezultaty-uchastiya-chast-vtoraya/?sphrase_id=1721103.

³⁰ BBC News. 2017. “China’s secret aid empire uncovered.” Accessed at <https://www.bbc.com/news/world-asia-china-41564841>.

³¹ The New York Times. 2019. A Power Plant Fiasco Highlights China’s Growing Clout in Central Asia. Accessed at <https://www.nytimes.com/2019/07/06/world/asia/china-russia-central-asia.html>.

³² Радио Азаттык. 2019. “Китай передал Кыргызстану полицейскую технику на миллионы долларов.” (Radio Free Europe, Radio Liberty. 2019. China donated millions of dollars worth of police equipment and machines to Kyrgyzstan.) Accessed at <https://rus.azattyq.org/a/29978604.html>.

³³ The Diplomat. 2019. *Malaysia: Revised China Deal Shows Costs Were Inflated*. Accessed at <https://thediplomat.com/2019/04/malaysia-revised-china-deal-shows-costs-were-inflated/>.

³⁴ Ibid.

similar situations, China tends to support regimes in power by providing surveillance and police equipment. China believes that weak governments are interested in preserving their power through suppression of anti-government protests, as well as using administrative resources or even sometimes through manipulation of voting results in elections which raise OSCE concerns.

For instance, the Central Asian states of Uzbekistan, Kazakhstan, Tajikistan, and Kyrgyzstan have recently signed contracts with Chinese surveillance companies on the installation of high-technology cameras in the streets of the main cities.³⁵ Huawei, China's controversial telecommunication giant, is also engaged in surveillance projects of the region, which are being accused by the West of using 5G technology for cyber espionage. Social activists and citizens of the region are against street video monitoring system with facial recognition technology as it poses risks to private data and human rights, and as it is unclear whether a foreign country (China) has access to data collection and processing. Additionally, China's involvement in this regard is associated with its surveillance system over its Muslim population in the Xinjiang region where scandalous "re-education camps" are built to forcefully detain and re-educate Muslims against their will and without trial. In particular, in politically unstable Kyrgyzstan which experienced its third coup-d'état since independence and which has a vibrant opposition, Chinese water cannons were used by the police to suppress opposition-led protests in 2020 in Bishkek in support of presidential candidate Sadyr Japarov.³⁶ It is important to note that similar police equipment was not used for peaceful protests. For instance, in June 2020 and December 2019 during Bishkek protests organized by civil society groups and labelled as "Реакция," "РЕакция 2.0,"³⁷ and "РЕакция 3.0" ("Reaction," "Reaction 2.0," "Reaction 3.0"),³⁸ called for the now ex-president Sooronbai Jeenbekov to offer a "reaction" toward Azattyk journalists' investigation into corruption in the customs system, and for Jeenbekov's reaction to a draft law on information manipulation. By providing surveillance and police machinery made in China, China tends to support the existing political regimes of partner-countries they invest in, by enhancing merely its domestic development policies, particularly those efforts to reduce local unemployment and enhanced domestic stability in mind (Copper 2016a, c; Jaborov 2018;

³⁵ Eurasianet. 2019. "China Taking Big Brother to Central Asia: China is exporting its model of invasive, all-encompassing surveillance to Central Asia." Accessed at <https://eurasianet.org/china-taking-big-brother-to-central-asia>.

³⁶ Kloop blog. 2020. "Митинг в поддержку Жапарова завершился разгоном, есть задержанные." (The rally in support of Japarov ended in dispersal, there are some detainees) Accessed at <https://kloop.kg/blog/2020/03/02/live-miting-storonnikov-zhaparova-v-bishkeke/>.

³⁷ Радио Азаттык. 2020. "Реакция 2.0: В Бишкеке прошла акция против коррупции и цензуры." (Radio Free Europe, Radio Liberty. 2020. Reaction 2.0: Action against corruption and censorship was held in Bishkek) Accessed at <https://rus.azattyk.org/a/30331476.html>.

³⁸ Радио Азаттык. 2020. "Реакция 2.0: В Бишкеке прошла акция против законопроекта «О манипулировании информацией.» (Radio Free Europe, Radio Liberty. 2020. Reaction 2.0: In Bishkek, action was held against the bill "On information manipulation.") Accessed at <https://rus.azattyk.org/a/30696065.html>.

Tian 2018). Development in third countries serves primarily China's domestic interests (Ibid.). Chinese non-transparent procurement does not encourage enforcement of laws.

China remains a leading loan-owner to Central Asian states. This broadly means that the countries indebted to China have to act in accordance with Chinese interests and to share China's standing on democracy and sensitive issues, such as minority and human rights. As I discuss in the following section of the chapter, two Central Asian states—Kazakhstan and Kyrgyzstan—kept silent toward Chinese inhumane treatment of their kin-groups, the ethnic Kazakhs and Kyrgyz in Chinese detention camps (Human Rights Watch 2018), despite strong local civic displeasure toward re-educational camps and treatment of ethnic kin in China.

5.6 Re-educational Camps in Xinjiang and Reactions

With a population of 22 million, the Xinjiang Uyghur Autonomous Region (XUAR)³⁹ of China is located in the western part of the PRC, and here a Turkic Muslim minority make up the largest percent of the population (around 60%) of the region, which includes Uyghurs, the largest linguistic, ethnic and religious minority, and ethnic Kazakhs and Kyrgyz who share common culture, religion and the Turkic language. This part of China is less developed with its poor infrastructure and depressed socio-economic life in comparison to the fast-developing Chinese East. The presence of ethnic Kazakhs and Kyrgyz in the territory of present-day China is due to those groups fleeing from their homeland during the Central Asian mass revolt of 1916—also known as “Urkun”—against the expansion of the Russian Empire.⁴⁰ After Xi Jinping's rise to power in 2012, the minority issues related not only to Muslims, but also to other non-Muslim groups, became increasingly questioned by the Chinese authorities (Human Rights Watch 2018). Their cultural and religious freedoms, for example, to learn and speak their native language and exercise their religion, had worsened, with minorities increasingly became suppressed and monitored (Ibid.).

International reports and evidence of re-education camps and facilities had appeared already by 2016 after Chen Quanguo, the new governor of Xinjiang, was appointed as a chief Communist Party Secretary of the region (Ibid.). These

³⁹ The locals in particular Muslims name the region as East Turkistan (Uyghuristan).

⁴⁰ International Institute for Asian. 2016. “The Time of Ordeal: a story of the 1916 revolt in Central Asia.” Accessed at <https://www.iiias.asia/the-newsletter/article/time-ordeal-story-1916-revolt-central-asia>.

camps are a legacy of “the cultural revolution” which took place from 1966 to 1976 in China, during which millions of political opponents, dissidents, and minorities were imprisoned, tortured, executed, enslaved, and “reeducated” in camps (Hauling 2005; Human Rights Watch 2018; Zainab 2019). Some western officials characterize Chinese re-education camps as “modern-day slavery camps,”⁴¹ because the imprisoned people are forced to work without payment.⁴² Since 2016 many Chinese Uyghurs, Kazakhs, and Kyrgyz have begun disappearing or have been later found detained in the political education camps (Ibid.). Relatives and friends living abroad, concerned about their disappearance have raised the alarm and made known to the public the existence of political education camps in Xinjiang which purposefully targeted the Muslim population in the region. Chinese officials have explained its extraordinary policy measures as necessary for combatting increasing religious extremism of Xinjiang’s Muslim population. However, Chinese officials’ explanation justifies these camps, but cannot clarify the legality of their actions after it was revealed that China was hiding the process of re-educating Chinese Muslims. Accusations against the Chinese government have been made not only by international human rights organizations, such as Human Rights Watch, which have mentioned “mass arbitrary detention, torture and mistreatment” (Human Rights Watch 2018, p. 111) of the Turkic population of the Muslim faith in Xinjiang and their family members but also during protests against Chinese authorities in cities in Kyrgyzstan⁴³ and Kazakhstan,⁴⁴ where the protesters who showed solidarity with their kin in China, who were imprisoned and deported by their police forces. For example, in 2017, several residents of Bishkek have publicly addressed the Kyrgyz government and the President to assist in releasing detained relatives and friends in Xinjiang camps from the Chinese KizilSu Kyrgyz Autonomous Prefecture (KKAP), who after returning to KKAP disappeared,⁴⁵ despite possession of Kyrgyz citizenship. A Chinese ethnic Kyrgyz who has been living in Kyrgyzstan for a long time was detained in China by forcing his relatives to call him and ask him to travel back to KKAP if he wants his relatives to be released. In this regard, the Ministry of Foreign Affairs of Kyrgyzstan did not react to the Kyrgyz citizen’s illegal imprisonment owing to the Chinese counterpart reasoning that the Chinese ethnic Kyrgyz did not renounce his Chinese

⁴¹ BBC News. 2020. “Xinjiang: China defends ‘education’ camps.” Accessed at <https://www.bbc.com/news/world-asia-china-54195325>.

⁴² Democracy Now. 2020. “Modern-Day Slavery”: China Is Forcing Muslims into Forced Labor, Prison and Indoctrination Camps. Accessed at https://www.democracynow.org/2020/1/9/inside_chinas_push_to_turn_muslim.

⁴³ 01.KG. 2018. В Бишкек прошла акция по защите прав этнических кыргызов в Китае. (Action to protect the rights of ethnic Kyrgyz in China was held in Bishkek). Accessed at <https://www.01.kg/news/2249574/v-bisheke-prosla-akcia-po-zasite-prav-etniceskih-kyrgyzov-v-kitae>.

⁴⁴ The Diplomat. 2021. Small Protests Persist Outside Chinese Consulate in Kazakhstan. Accessed at <https://thediplomat.com/2021/02/small-protests-persist-outside-chinese-consulate-in-kazakhstan/>.

⁴⁵ Азаттык/налыгысы. 2017. “Кытайлык кыргыздар басым кччггнн айтууда.” (Radio Free Europe, Radio Liberty. 2017. Chinese Kyrgyz say that pressure has intensified) Accessed at https://www.azattyk.org/a/kyrgyzstan_china_ethnic_minority_rights_kyrgyz/28688593.html.

citizenship before applying for Kyrgyz citizenship.⁴⁶ Another young ethnic Kyrgyz from China, a grandson of the Manas-epic-teller Jusup Mamai, who was a student in a university in Bishkek, and a popular figure performing the Kyrgyz dance Kara Jorgo on Kyrgyz TV programs and radios, was incarcerated in a re-education camp after visiting China, on condition that his relative would be released. However, the Kyrgyz government, as a deeply indebted country to China, had to ignore the Chinese mistreatment of ethnic Kyrgyz, even if some of the detained also held Kyrgyz citizenship. Similar cases were reported from Kazakhstan where two Chinese ethnic Kazakhs faced litigation in Almaty in December 2019 for illegally crossing the state border from China to Kazakhstan in pursuit of asylum and safety. Two months earlier they had been informed by the Kazakh authorities that they will be deported back to China despite applying for asylum.⁴⁷ There is mutual agreement on deportation between the two governments, sending back those who illegally cross the state borders, even without a public hearing. Another 43-year-old ethnic Kazakh woman with her family, born in Ili Kazakh Autonomous Prefecture of the XUAR province in China, entered Kazakhstan in the same illegal way. She had to apply for asylum in Sweden with the assistance of the United States Embassy in Almaty and the United Nations High Commissioner for Refugees after her asylum application was rejected by the Kazakh government.⁴⁸

In brief, the Kazakh and the Kyrgyz governments preferred to not intervene in Chinese domestic policies and instead decided to maintain bilateral agreements. Nor do they pose any sanctions upon China for the detention without trial in re-educational camps of ethnic Kazakh and Kyrgyz living in China's North-Western province. By this political practice, the governments violate OSCE norms and standards on minority and human rights. Kyrgyz ex-president Sooronbai Jeenbekov, during the Annual Press Conference with journalists in 2018, stated that Kyrgyzstan cannot intervene into the domestic affairs of China due to bi-lateral agreements.⁴⁹ In a similar way, the Kazakh government is afraid to openly comment on these issues and to criticize Chinese mistreatment of ethnic minorities. At the same time, Kazakhstan and Kyrgyzstan are some of the largest recipients of Chinese infrastructural loans and Foreign Direct Investment (Vakulchuk and Overland 2019), which increased since 2013. Financial dependency, among other, makes these countries vulnerable and explains well why Kazakhstan and Kyrgyzstan did not officially respond to Chinese

⁴⁶ Ibid.

⁴⁷ Радио Азаттык. 2019. “КНБ: перешедших границу этнических казахов передадут обратно в Китай.” (Radio Free Europe, Radio Liberty. 2019. KNB: ethnic Kazakhs who crossed the border will be transferred back to China) Accessed at <https://rus.azattyq.org/a/30311302.html>.

⁴⁸ Радио Азаттык. 2019. “Сайрагуль Сауытбай, не получив убежища, покинула Казахстан.” (Radio Free Europe, Radio Liberty. 2019. Sairagul Sauytbai, not receiving asylum, left Kazakhstan.) Accessed at <https://rus.azattyq.org/a/kazakhstan-sayragul-sauytbay-pokinula-kazakhstan/29978459.html>.

⁴⁹ Радио Азаттык. 2018. “Жеэнбеков о китайских кыргызах: Это граждане Китая, мы не можем вмешиваться.” (Radio Free Europe, Radio Liberty. 2019. Jeenbekov on the Chinese Kyrgyz: They are citizens of China, we cannot interfere.) Accessed at <https://rus.azattyk.org/a/29664421.html>.

mistreatment of ethnic minorities, even if that silence means that they violate and disregard core principles on the protection of ethnic, linguistic, and religious minorities. One can only speculate whether, if there were no infrastructural loans from China, both countries would respond to Chinese domestic politics toward ethnic minorities critically.

5.7 Conclusion

As illustrated by the cases of the Kyrgyz and Kazakh response to China's detention policies and infrastructural loans, China's overall standing on minority issues and non-transparent practices contradict the HCNM and ODIHR core principles. Consequently, this dilemma undermines the OSCE's integrity. The re-education camps in Xinjiang region and the promotion of non-democratic practices, namely non-transparent procurement, surveillance, and police equipment for suppression and control of political dissidents in the OSCE region are examples of a breach of OSCE's norms and values. This broadly means that countries indebted to China have to act in accordance with Chinese interests and share China's standing on governance and the treatment of religious minorities.

Various sources define Chinese financing as foreign aid, investment and loans at the same time, while China tends to avoid any definition on development or governance and prefers miscellaneous interpretations. For example, the meanings of "Chinese way and characteristics" or "Chinese way of reaching harmony" are not always clear to outsiders. However, what is clear is that Chinese foreign financing and the BRI's primary goal is largely aimed at the strengthening of its domestic economic development, and overall to increase unemployment in China, not outside China, as well as boosting its political influence in the international arena and overall in Eurasia.

Like elsewhere, China is a leading loan-owner to many OSCE member states, not only to the less developed countries but also to countries that already receive large sums of EU funding, such as Central and Eastern European countries. The presence of China in the OSCE region became resilient after Beijing began providing infrastructural loans to those countries that are within the BRI realm. As demonstrated, the size of the issued infrastructural loans in less developed economies are disproportionate to national economies, making debtor countries incapable of paying back the loans. Financial dependence on China makes these countries vulnerable in terms of OSCE's norms and standards of fundamental freedom rights, good governance, and rule of law and for this reason undermines the impact of OSCE programs to promote democracy and human rights.

References

- Barnett D (1985) *The making of foreign policy in China: structure and process*. Westview Press, Boulder and London, 173 pp
- Bräutigam D (2009) *The Dragon's gift: the real story of China in Africa*. Oxford University Press, Great Britain
- Bräutigam D (2011) Aid 'with Chinese characteristics': Chinese foreign aid and development finance meet the OECD–DAC aid regime. *J Int Dev* 23:752–764. <https://doi.org/10.1002/jid.1798>
- Burkhanov A (2018) The impact of Chinese silk road strategy on national identity issues in Central Asia. A media review. In: Laruelle M (ed), *China's Belt and Road Initiative and its impact in Central Asia*. Washington, D.C., pp 153–161
- Carter B (2017) A literature review on China's aid. K4D Helpdesk Report. Institute of Development Studies, Brighton, UK
- Cave D, Hoffman S, Joske A, Ryan F, Thomas E (2019) *Mapping China's technology giants*. ASPI International Cyber Policy Center, Issues Paper Report No. 15/2019
- Chen D, Kinzelbach K (2015) Democracy promotion and China: blocker or bystander? *Democratization* 22(3):400–418
- Copper JF (2016a) *China's foreign aid and investment diplomacy, volume I, nature, scope and origins*. Palgrave Macmillan, New York
- Copper JF (2016b) *China's foreign aid and investment diplomacy, volume II, history and practice in Asia, 1950-present*. Palgrave Macmillan, New York
- Copper JF (2016c) *China's foreign aid and investment diplomacy, volume III, strategy beyond Asia and challenges to the United States and the international order*. Palgrave Macmillan, New York
- Diacofotakis I, Yeorgios (2002) *Expanding conceptual boundaries the high commissioner on national minorities and the protection of minority rights in the OSCE*. Ant. N. Sakkoulas Publishers, Greece
- Dave B (2018) Silk road economic Belt: effects of China's soft power diplomacy in Kazakhstan. In: Laruelle M (ed) *China's Belt and Road Initiative and its impact in Central Asia*. Washington, D.C., pp 97–108
- Dirk van der Kley (2020) Chinese companies' localization in Kyrgyzstan and Tajikistan. *Probl Post-Commun* 67(3):241–250. <https://doi.org/10.1080/10758216.2020.1755314>
- Foroughi P (2010) Tajikistan: nationalism, ethnicity, conflict, and socio-economic disparities—sources and solutions. *J Muslim Minor Affairs* 22(1):39–61
- Garibov A (2018) Contemporary Chinese labor migration and its public perception in Kazakhstan and Kyrgyzstan. In: Laruelle M (ed) *China's Belt and Road Initiative and its impact in Central Asia*. Washington, D.C., pp 143–152
- Garver JW (2016) *China's Quest. The history of the foreign relations of the People's Republic of China*. Oxford Press, New York
- Gordon CE, Kmezić M, Opardija J (eds) (2013) *Stagnation and drift in the Western Balkans: the challenges of political, economic and social change. Interdisciplinary studies on Central and Eastern Europe.*, 10 Peter Lang AG, Pieterlen
- Hauling F (2005) *Re-education through labour in historical perspective*. University of Hong Kong Faculty of Law Research Paper No. 10722/44879. *China Quart* 184:811–830. SSRN: <https://ssrn.com/abstract=1809425>
- Heilmann S, Schmidt DH (2014) *China's foreign political and economic relations. An unconventional global power*. Rowman & Littlefield, Plymouth, UK
- Human Rights Watch (2018) *Eradicating ideological viruses: China's campaign of repression against Xinjiang's Muslims*. Report
- Hurley J, Morris S, Portelance G (2018) *Examining the debt implications of the Belt and Road Initiative from a policy perspective*. Center for Global Development, Washington DC
- Jaborov S (2018) Chinese loans in Central Asia: development assistance or "predatory lending"? In: Laruelle M (ed) *China's Belt and Road Initiative and its impact in Central Asia*. Washington, D.C., pp 34–40

- Karrar HH, Mostowlansky T (2020) The Belt and Road as political technology. *Polit Space* 38:834–839
- Kazianis H (2011) Deception, development or interdependence? China's approach to African trade. Harvard University, E-International Relations Students
- Laruelle M (ed) (2018) China's Belt and Road Initiative and its impact in Central Asia. The George Washington University, Central Asia Program, Washington, D.C., p 2018
- Lijun S (1994) China's "independent foreign policy". *Pacific Focus* 9:5–45
- Lührmann A, Lindberg SI (2019) A third way of autocratization is here: what is new about it? Democratization, First View Online
- Mihr A (2020) Transformation and development studies in the organization for security and cooperation in Europe (OSCE) member states: studies in the organization for security and cooperation in Europe (OSCE) member states. <https://doi.org/10.1007/978-3-030-42775-7>
- Pantucci R, Lain S (2017) China's Eurasian pivot: the Silk Road economic Belt, Whitehall papers. Routledge Journals, Abingdon
- Pavličević D (2019) Structural power and the China-EU-Western Balkans triangular relations. *Asia Eur J* 17:453–468
- Poskitt A, Shankland A, Taela K (2016) Civil society from the BRICS: emerging roles in the new international development landscape, IDS Evidence Report 173. IDS, Brighton
- Sakwa R, Webber M (2010) The commonwealth of independent states, 1991–1998: stagnation and survival. *Eur-Asia Stud* 51(3):379–415
- State Council (2011) China's Foreign Aid. The State Council of the People's Republic of China. http://english.gov.cn/archive/white_paper/2014/09/09/content_281474986284620.htm
- State Council (2014) China's Foreign Aid. The State Council of the People's Republic of China. http://english.gov.cn/archive/white_paper/2014/08/23/content_281474982986592.htm
- Szunomár Á, Biedermann Z (2014) Chinese OFDI in Europe and the Central and Eastern European region in a global context. In: Conference: Asia-pacific economic association, Korea Institute for industrial economics and trade, and research center for international economics, University of Washington jointly organizing the 3rd Twin conferences, Seoul
- Tian H (2018) China's conditional aid and its impact in Central Asia. In: Laruelle M (ed) China's Belt and Road Initiative and its impact in Central Asia. Washington, D.C, pp 21–33
- Toktomushev K (2018) One Belt, One Road: a new source of rent for ruling elites in Central Asia? In: Laruelle M (ed) China's Belt and Road Initiative and its impact in Central Asia. Washington, D.C, pp 77–85
- Vakulchuk R, Overland I (2019) China's Belt and Road Initiative through the lens of Central Asia. In: Cheung FM, Hong Y-y (eds) Regional connection under the Belt and Road Initiative: the prospects for economic and financial cooperation. Routledge, New York, p 21
- Warsaw Institute (2019) Special report on China's influence in Balkans and Central and Eastern Europe. Warsaw Institute (04/19/2019)
- Wolff S (2018) Economic diplomacy and connectivity: what role for the OSCE? <https://www.birmingham.ac.uk/Documents/college-social-sciences/government-society/iccs/news-events/2018/Osce-Report.pdf>
- Woodward SL (1995) Balkan tragedy: chaos and dissolution after the cold war. The Brookings Institution, Washington D.C.
- Yahuda M (1997) How much has China learned about independence? In: Goodman DS, Segal G (eds) China rising. Nationalism and interdependence. Routledge, London and New York, pp 6–27
- Yamamoto MM (2015) OSCE principles in practice: testing their effect on security through the work of Max van der Stoep. First High Commissioner on National Minorities 1993–2001
- Zainab R (2019) China's 'political re-education' camps of Xinjiang's Uyghur Muslims. *Asian Affairs* 50(4):488–501. <https://doi.org/10.1080/03068374.2019.1672433>

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

