

## **Towards a Harmonious Western China: A Critical Review on *xibu dakaifa* and the Border Trade<sup>1</sup>**

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**Abstract:** *The development of Western China has strategic implications not only for China's domestic politico-economic stability but also for the peace in the neighboring regions as well as for changing shifts of global power architecture. This paper intends to critically review current reality of economic development in Western China and the trend of border trade with the neighboring regions including Central Asia, Southeast Asia, and South Asia, while arguing that general trend of xibu dakaifa, Western China development program, has been uneven and asymmetric in a paradoxical way. It is necessary, thus, to search for a balanced development plan for Western China with a global outlook especially linking China to the Middle East via Central Asia and South Asia.*

**Key Words:** *Western China; the Border Trade; Harmonious Development*

### **I. The Missing Link: The Rise of Western China**

Although the rise of China has not been a central process in the western part of China since the Reform and Opening-Up in 1979, China Western development program, *xibu dakaifa*,<sup>3</sup> has a variety of strategic implications for China. Most of all, the peaceful development of Western China is vital for China's overall economic development. Second, it would weaken or strengthen political leadership of the China Communist Party (CCP) depending on its policy result. Third, it is also important for the harmonious development in the neighboring regions linking China to the Middle East via Central Asia, South Asia and Southeast Asia, given its strategic location. Fourth, it would gradually reshape or transform the current global power architecture in an era of globalization with the Islamic renaissance. And finally, it could trigger national struggles and competitive interactions between China and the US in order to maintain a strategic dominance in the region indispensable for the global leadership from the Taiwan Strait to the Green Line in Jerusalem.

There have been academic efforts to examine and investigate the rise of China

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<sup>3</sup> China Western Development Program (CWDP), *xibu dakaifa*, refers to a policy endorsed by the People's Republic of China around January 2000, when a Leadership Group for Western China Development was created to comprehensively promote its relatively less developed western region including 6 provinces (Gansu, Guizhou, Qinghai, Shannxi, Sichuan, and Yunnan), 5 autonomous regions (Guangxi, Inner Mongolia, Ningxia, Tibet and Xinjiang), and 1 municipality (Chongqing).

and its implications in Asia in general.<sup>4</sup> It is also true that there is a growing academic inquiry on the global importance of Western China's rising.<sup>5</sup> The conventional approaches, however, have failed to provide a comprehensive link to understand the global implications of Western China development. It can be argued that most of researches on the rise of China are just aimed at interpreting the relatively obvious ascendancy of Eastern China between Beijing and Shanghai. Consequently, an important missing link emerges: the rise of Western China on the global scale whether peaceful and harmonious or not.

The purpose of the paper is, with this context in mind, not only to review the historical legacy and global importance of Western China development but also to examine the current situation of interregional trade in Western China as well as to expect the future direction of Western China development in an era of globalization. More specifically, why does Western China matter now? What has been Chinese historical response to Western China? Have China's economic and political linkages been stable and harmonious to the regions interlinking it with a number of states in Central Asia, South Asia, and Southeast Asia? Could the peaceful and harmonious approaches adopted by China be witnessed in the process of Western China development? Is it possible for the CCP to maintain Western China peacefully, harmoniously, and sustainably at the same time? Finally, what is the geopolitical implication of Western China's emergence linking China to the Middle East?

Accordingly, searching for the strategic importance of Western China development and its interregional influence both in and out of China is very crucial to understand and expect its intrinsic meanings, the strategic Sino-US relations and the main direction of global geopolitics in the future. Without a harmonious Western China, a peaceful Eastern China can not be existed. In tandem, a harmonious Central Asia could not be sustained if there is no peaceful Western

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<sup>4</sup> Nicholas D. Kristof and Sheryle Wudunn, *Thunder from the East: Portrait of a Rising Asia* (New York: Vintage, 2001); Suisheng Zhao, ed., *Chinese Foreign Policy: Pragmatism and Strategic Behavior* (London and New York: M. E. Sharpe, 2004); Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford, California: Stanford University Press, 2005); Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Lanham, Boulder: Rowman & Littlefield Publishers, 2005); Yong Deng and Fei-Ling Wang, eds., *China Rising: Power and Motivation in Chinese Foreign Policy* (Lanham, Boulder: Rowman & Littlefield Publishers, 2005); Alastair Iain Johnston and Robert S. Ross, eds., *New Directions in the Study of China's Foreign Policy* (Stanford: Stanford University Press, 2006); Jairam Ramesh, *Making Sense of Chindia: Reflections on China and India* (New Delhi: India Research Press, 2006); David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (California: University of California Press, 2006); Sujian Guo, ed., *China's Peaceful Rise in the 21st Century: Domestic and International Conditions* (Burlington, VT: Ashgate, 2006); John Wong and Hongyi Lai, eds., *China into the Hu-Wen Era: Policy Initiatives and Challenges* (Singapore: World Scientific Publishing Co., 2006); Ryosei Kokubun, ed., *China's Governing Capacity* (Tokyo: Keio University Press, 2006); Bates Gill, *Rising Star: China's New Security Diplomacy* (Washington, D.C.: Brookings Institution Press, 2007); V. P. Malik and Jorg Schultz, eds., *The Rise of China: Perspectives from Asia and Europe* (New Delhi: Pentagon Press, 2008); David M. Lampton, *The Three Faces of Chinese Power: Might, Money, and Minds* (Berkeley and London: University of California Press, 2008); N. S. Sisodia and V. Krishnappa, eds., *Global Power Shifts and Strategic Transition in Asia* (New Delhi: Academic Foundation, 2009).

<sup>5</sup> Masayuki Yamauchi, *Enver Pasha, the Unsatisfied Man: From the Middle East to Central Asia* (Tokyo: Iwanami Shoten, 1999); Yitzhak Shichor, *Ethno-Diplomacy: The Uyghur Hitch in Sino-Turkish Relations* (Honolulu, HI: East-West Center, 2009).

China. As a strategic link between China and the US managing the Islamic nuclear bombs in Pakistan, furthermore, overall stability in Western China and interregional economic interactions would introduce a new strategic window for the Sino-US strategic interactions in the near future.

This article first outlines the strategic importance of Western China from a historical perspective, before going on to explore further how interregional environment and the border trade around Western China have been evolved. It then considers the strategic issues regarding Western China development including Sino-Indian relations and Sino-Middle Eastern connections beyond Western China that should be addressed if the global society including China and the U.S. is to maintain a harmonious development in Western China and reduce mistrustful misperception that could broken the peace and stability both within and beyond the region surrounding Western China as a whole.

## II. Does Western China Matter?

Historically, China's security concern and defense priority have been taken the Inner Asian frontier seriously. As shown well in the final victory of Zongtang Zuo in the hot debates on national defense direction, the military leader in the Qing era who emphasized the land-oriented defense around the Northwestern China, over Hongzhang Li who argued the importance of maritime-oriented defense, Western China, the strategic corridor, has been a strategic concern of national defense through China's entire history from Qin to Qing dynasty.<sup>6</sup> In particular, Zheng He's final maritime voyage to Mecca in Ming dynasty was initially one of strategic counter-measures against the remaining Turko-Mongolian network in Central Asia, *Barlas*, supported mainly by Timur who died in the town of Utrār on the shore of the Syr Darya in 1405 on the way to conquer China.<sup>7</sup> The legacy of Turko-Mongolian nexus against the Sino-centrism gave rise to the birth of Mughal Empire in South Asia around 1500 by Babur, one of Timur's descendent.

In addition, Sun Yat-sen, the founding father of Modern China, also stressed at the inaugural ceremony that: "the essence of the state is nation. The regions of *han* (Han Chinese), *man* (Manchurian), *meng* (Mogolian), *hui* (Islamic), and *zang* (Tibetan) should be united as a state; the nations of *han*, *man*, *meng*, *hui*, and *zang* should be united as an entity. This is so-called the unification of nations."<sup>8</sup> Given the legacy of Turko-Mongolian nexus from Istanbul to Urumqi, it can be argued that Uyghur people who stay in Central Asia including Xinjiang could see

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<sup>6</sup> Zhongmin Liu, *On Modern History of China Maritime Defense Thoughts* (Qingdao: China Ocean University Press, 2006), pp. 41-58.

<sup>7</sup> Masakatsu Miyazaki, *The Great Maritime Voyages of Zheng He from Southern Sea* (Tokyo: Chūo Koronsha, 1997), p. 43; Hodong Kim, "The Early History of the Moghul Nomads: The Legacy of the Ghaghatai Khanate," in Reuven Amitai-Preiss and David O. Morgan, eds., *The Mongol Empire and Its Legacy* (Leiden and Boston: Brill, 1999), p. 313.

<sup>8</sup> Hiroaki Yokoyama, *The Sino-Centrism and Modern China* (Tokyo: Shueisha, 2002), p. 115.

themselves as an active promoter of Pan-Turkism.<sup>9</sup> In this regard, most notable concerns in Western China are “with traditionally non-Han regions such as Tibet, Xinjiang, and Inner Mongolia.”<sup>10</sup> What we are now witnessing is the revival of Turko-Mogolian nexus against the rise of China beyond the Great Wall. From 3/14 Tibet crisis last year to 7/5 Xinjiang tragedy this year, it is not unclear that “the intensification of ethnic conflicts is a serious issue for China’s development.”<sup>11</sup> Therefore, Western China with a peaceful and harmonious face is indispensable for China to become a responsible great power.

### III. *Xibu dakaifa* and Its Interregional Environment

Before examining the relationship between Western China development and its interregional environment in depth, it is necessary to review Peking’s Western China policy since the establishment of the PRC in 1949. During the Cold War era from 1949 to 1989, China’s domestic policy and foreign behaviors had no choice but to passively react to the mixed convergence stemming from global interactions between the US and the former Soviet Union. As the history of the Cold War was ended by the unexpected demise of the former Soviet Union, in a sense, Peking’s Western China policy has been inconsistent as well.

Mao Zedong has stressed, in his report titled with *lun shida guanxi* [On Ten Relationships] on April 25, 1956 that “we should fully use and promote the industrial bases along the coastal regions in order to more powerfully develop and support the inland industry.” With the aggravation of bilateral relationship between Peking and Moscow over the leadership of world communist bloc and the transfer of nuclear devices vital to invent Chinese nuclear bombs, however, most of Western China region including Taiyuan, Kaifeng, Wuhan, Changsha, Guiyang, Chengdu, Chongqing, Xi’an, and Lanzhou, had to be a central focus of heavy industrial bases in the name of *da sanxian* [the Great Third Line] to defeat the lenient invasion of the former Soviet Union from 1964 to 1978.<sup>12</sup>

At the final phase of the disastrous moment triggered by the Great Cultural Revolution, Deng Xiaoping, the paramount leader of the CCP, has realized a normalization of diplomatic relations with the US in an effort to stabilize domestic politics, develop national economy and counterattack the former Soviet Union with the Reform and Opening-Up. Peking’s Western China policy has readjusted formally in September 12, 1988 when Deng Xiaoping elevated the concept of *liang*

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<sup>9</sup> Ke Wang, *A Research on Eastern Turkestan: Chinese Islam and Ethnic Problems* (Tokyo: Tokyo University Press, 1995), p. 10.

<sup>10</sup> Thomas J. Christensen, “Chinese Realpolitik,” in Guoli Liu, ed., *Chinese Foreign Policy in Transition* (New York: Aldine de Gruyter, 2004), p. 66.

<sup>11</sup> Zhenhai Qiu, “Xinjiang Disturbance and Some Observation,” at [http://zaobao.com/special/forum/pages7/forum\\_zp090713.shtml](http://zaobao.com/special/forum/pages7/forum_zp090713.shtml) (2009-07-13).

<sup>12</sup> Jianrong Zhu, *Mao Zedong’s Vietnam War: The Great Transformation of Chinese Diplomacy and the Origin of the Great Cultural Revolution* (Tokyo: Tokyo University Press, 2001), pp. 128-132. Of more importance, Xinjiang, Tibet, and Inner Mongolia were defined as a strategic backyard in 1950s. They were also not included in the region of ‘the great third line’ in 1965: a strategic isolation of Western China.

ge daju [the Two Grand Contexts] in his conversation on the necessity of empowering the central government, saying that “the coastal area, which has 200 million people and a various region, should speed up in opening up so as to get wealthier in order to promote the development of inland region. It is a problem vital to the grand context. The inland region should consider this grand context. At the same time, the coastal area is asked to help the development of inland region with its resources advanced than before. It is also a grand context. The coastal area should follow this grand context that time.”

In 1995, Jiang Zemin, who has a political base in Shanghai, also advanced his point of view on the relationship between Eastern China and Western China embedded on Deng Xiaoping’s two grand contexts that “solving regional disparity in economic development and maintaining economic cooperation among the regions are one of strategic target in reform and development of China.” In tandem, Jiang Zemin proclaimed in 1999 that the Central Committee of the CCP has endorsed the implementation of *xibu dakaifa*, adding that “conditions for advancing the development of Central and Western China region are now ripe and timely. Thus, it should be declared clearly for the all members of the CCP and people that we should promote the development of Central and Western China. In particular, the studies on Western China development should be emphasized.”<sup>13</sup>

Seemingly evolving policy for Western China development, however, has to overcome the turmoil of the 9/11 terror attacks in September 2001 against the U.S. and its ramifications around Western China in Afghanistan and Pakistan. Although China has initiated the establishment of the Shanghai Cooperation Organization(SCO) in 2001 to meet various challenges surrounding Western China, “the level of cooperation and size have failed to produce the desired outcome, multilateral cooperation still lacks basic infrastructures.”<sup>14</sup> Hu Jintao, the current President of China, pointed out in 2004 that “the central government will continue to strongly promote the implementation of Western China development strategy.”<sup>15</sup> In an era of globalization and the renaissance of political Islam, whether or not Western China would be peaceful and harmonious adds a serious question mark both to China and the global society.<sup>16</sup>

Then, have China’s economic and political linkages been stable and harmonious to the regions interlinking it with a number of states in Central Asia, South Asia, and Southeast Asia? It is true that there has been relative economic development in Western China since the initiation of *xibu dakaifa*. The rate of GDP of Western China region in the national GDP was 17.22% in 1999, and it was

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<sup>13</sup> Wei Su, “Promoting ‘the Two Grand Contexts’ to Prepare for the Regional Development,” at [http://www.cq.xinhuanet.com/subject/2004-08/13/content\\_2679272.htm](http://www.cq.xinhuanet.com/subject/2004-08/13/content_2679272.htm). (2004-08-13)

<sup>14</sup> Yongquan Li, “Enforcing Economic Cooperation within the Framework of the Shanghai Cooperation Organization,” in Zhengang Ma, ed., *The SCO Marching forward Steadily: the SCO in the Eyes of Experts* (Beijing: World Affairs Press, 2006), p. 51.

<sup>15</sup> “Hu Jiantao Emphasizes to Fulfill More Proactive Implementation of Western China Development Strategy,” at <http://news.sohu.com/2004/03/06/49/news219314937.shtml>.

<sup>16</sup> Kenneth Lieberthal, *Governing China: From Revolution through Reform*, 2nd Edition (New York and London: W. W. Norton & Company, 2004), pp. 326-328.

increased to 19.38% in 2008.<sup>17</sup> But it is only part of the story. According to Yining Li, “the disparity of GDP per person between Eastern China and Western China has recently doubled from 6,430 RMB to 13,200 RMB. Western China received 4.56% of national fund 8 years ago, but it fell to 2.68% in 2005. Although the leader of China emphasizes Western China development while decreasing the regional gap between the regions, the income disparity between Eastern China and Western China is still increasing incessantly.”<sup>18</sup>

The reason for this underdevelopment, in part, can be located in the lack of efficient local governance in Western China. It is reported from business men in Eastern China that there are four fearful elements in investing their money to the region: “first of all, an endless change of policy; second, an abrupt miscommunication in receiving official permissions from the local authorities; third, strong mistrust to be easily cheated and bankrupted; and finally, administrative arrangement which is unclear and difficult to understand.”<sup>19</sup> Of more importance, Western China development could not be sustained not only without local efforts but also without regional supports from Eastern and Central China as well as without trans-regional interactions surrounding Western China. In other words, the role of international environment in building up the peaceful and harmonious Western China should be examined in a gingerly manner.

Given its strategic location, the development of Western China could not be realized without the trans-regional contexts in Asia as well as without interregional cooperation in China. It links Central China to Central Asia, South Asia, and Southeast Asia as well as to the Middle East and Russia in a broader sense. Harmonious relations between different ethnics in Western China are vital for the peaceful development. The key element for Western China development exists not only in the harmonious region but also in *kuayue fazhan* [trans-regional development]: the importance of the border trade widening and evolving around Western China. Given its location between Central Asia and South Asia, *xibu dakaiifa* would become a useless paper tiger, if there are no trans-regional development and interregional cooperation in Western China.

The economic advancement of Eastern China, *dongbu fazhan*, has been supported by relatively stable relations between Japan and China, even though there were sporadic verbal wars between Tokyo and Peking. The future of Central China’s rising, *zhongbu jueqi*, would depend on the positive interactions across the Taiwan Strait. In addition, the economic development of Western China would rely on surrounding international environment. The invasion on Afghanistan by the former Soviet Union had invited the ultimate demise of the Cold War era, while the US global and long war on terrors started from Afghanistan has

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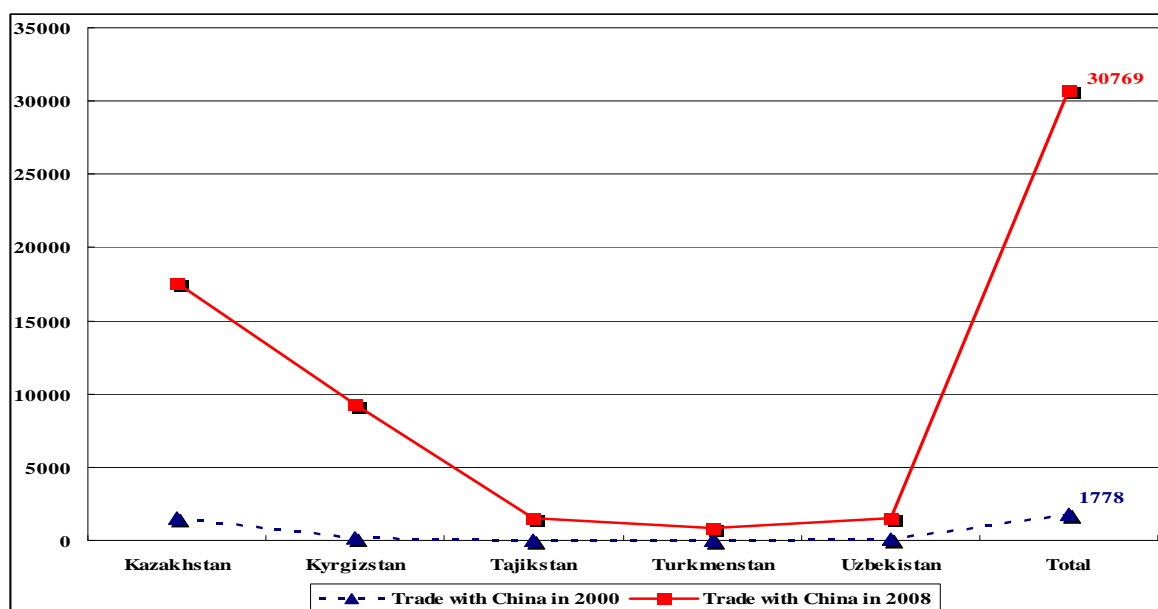
<sup>17</sup> “The Trajectory of Western China Industrial Development: From the Establishment of the ‘Third Line’ to the Regional Development,” *Xinhua News Agency*, September 18, 2009.

<sup>18</sup> Yining Li: “Western China Could Be More Powerful When It Could Do What Eastern China Could Not,” *Ningxia Daily*, August 20, 2007.

<sup>19</sup> “The Three Factors Restricting the Transfer of Eastern China Industry to Central and Western China,” *Economic Information Daily*, September 21, 2007.

extended in an era of Islamic renaissance around Western China. Therefore, there are critical foreign elements in Western China distancing itself from the advancement of Eastern China and the rise of Central China.

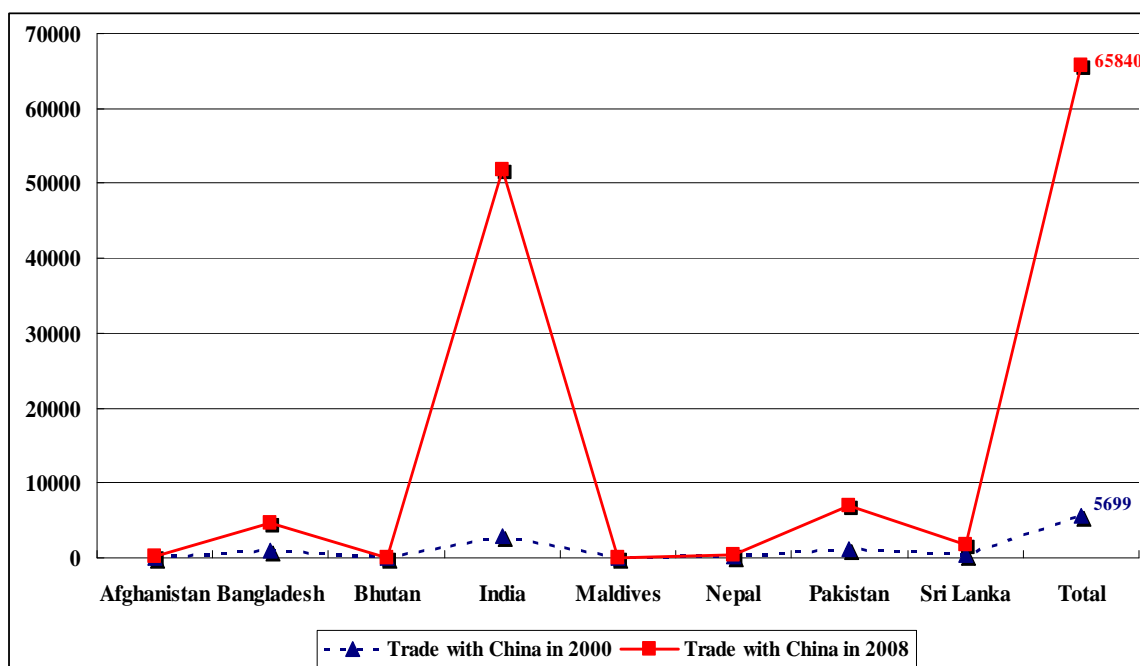
[Figure -1] China's Trade with Central Asian States in 2000-2008 (Million USD)<sup>20</sup>



In general, the economic relationship between China and the five Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) has been relatively good. The total volume of trade including export and import between China and the five countries in Central Asia has increased to \$30,769 million in 2008 from \$1,778 million in 2000. The size of trade among them has been multiplied more than 16 times for 8 years. Apart from Chinese economic trade with Kazakhstan and Kyrgyzstan, however, it could be said that China's economic relations with other states in Central Asia are neither deep nor wide. Even the growing Sino-Kazakhstan and Sino-Kyrgyzstan trade were both asymmetric and energy resource-oriented. This shows that the border trade of Western China with Central Asian five states are basically uneven, making it difficult to keep a benign external environment for the sustainable development of Western China. The advancement of Eastern China and the rise of Central China have been largely counted on the gradual inflows of foreign investments to the respective region.<sup>21</sup> The uneven and asymmetric economic relations between China and the five states in Central Asia, thus, made Peking getting half the result with twice as much effort.

<sup>20</sup> The figure is created from IMF data, it includes total volume of China's import and export volume.

<sup>21</sup> Nicholas R. Lardy, "The Role of Foreign Trade and Investment in China's Economic Transformation," in Andrew G. Walder, ed., *China's Transitional Economy* (New York: Oxford University Press, 1996), p. 114.

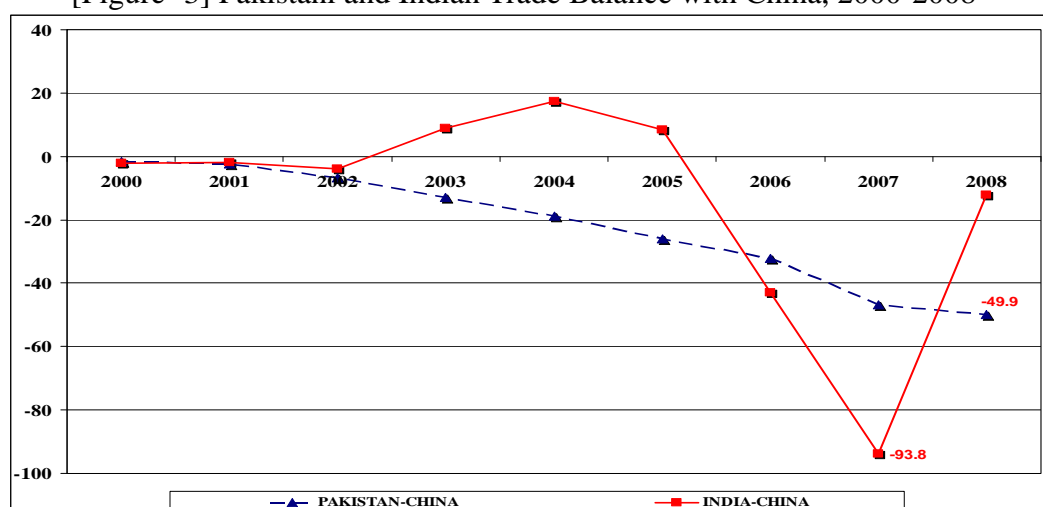
[Figure -2] China's Trade with South Asian States, 2000-2008 (Million USD)<sup>22</sup>

In addition, the general trend of Western China's border trade with the countries in South Asia (Afghanistan, Bangladeshi, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) is affecting the phase and the way of Western China's harmonious development. As shown clearly above, China's economic interactions with the countries in South Asia have been relatively positive as well. The total volume of trade including export and import between China and the eight countries in South Asia has increased to \$65,840 million in 2008 from \$5,699 million in 2000. The size of trade among them has been multiplied more than 11 times for 8 years. Even though Chinese economic relations with India, Pakistan, and Bangladesh have quantitatively somewhat enlarged, China's trade with Afghanistan, Bhutan, Maldives, Nepal, and Sri Lanka has not been so advanced remarkably from 2000 to 2008. As was the same in Central Asia, China's overall economic relations with South Asia are very critical and challenging for the development of Western China. Except for the growing economic interactions between Peking and New Delhi, there is no remarkable sign of economic conversion deepening and widening between China and South Asia. Now the U.S. makes active engagement to India, as a strategic partner, which considers Pakistan and Afghanistan as part of its territory. What is more, the qualitative interactions in terms of trade balance between India and China were not stable around 2007 as demonstrated well in the figure below.

<sup>22</sup> The figure is generated from IMF data, it includes total volume of China's import and export.

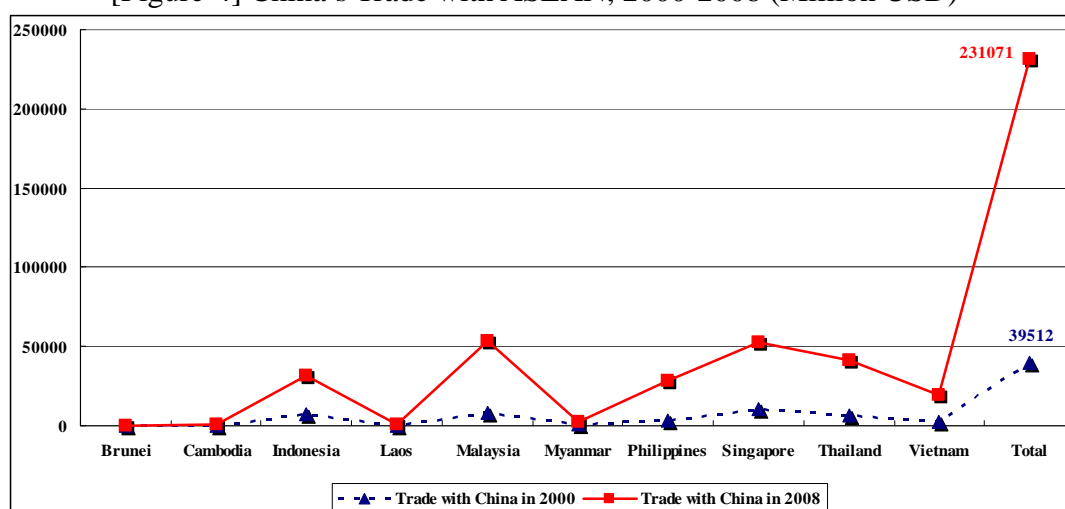


[Figure -3] Pakistani and Indian Trade Balance with China, 2000-2008<sup>23</sup>



In tandem, China’s economic relations with the member states of the Association of Southeast Asian Nations (ASEAN) from 2000 to 2008 have been enhanced relatively as demonstrated obviously in the figure below. The total volume of trade including export and import between China and the eight countries in South Asia has increased to \$231,071 million in 2008 from \$39,512 million in 2000. The size of trade among them has multiplied more than 5 times for 8 years. However, it is also true that Chinese trade with Cambodia, Laos, Myanmar, and Vietnam which are the important connecting states between Southeast Asia and Western China, has been less developed comparatively. The export from the countries in Southeast Asia is mainly aimed at the US and the EU rather than China, furthermore, while Japan and the US overwhelmingly lead the sector of investment and economic assistance to Southeast Asia.<sup>24</sup>

[Figure-4] China’s Trade with ASEAN, 2000-2008 (Million USD)<sup>25</sup>



<sup>23</sup> The unit is 100 million USD. The figure is made from IMF data.

<sup>24</sup> Nobuto Yamamoto, “Chinese Diplomacy toward ASEAN,” in Ryosei Kokubun, ed., *China’s Governing Capacity* (Tokyo: Keio University Press, 2006), p. 348.

<sup>25</sup> The figure is created from IMF data, it includes total volume of China’s import and export.

In sum, Chinese border trade with Central Asia, South Asia, and Southeast Asia surrounding Western China has not been stable, although there is a growing size of economic interactions. In Central Asia, the main direction of Chinese economic trade energy-oriented was Kazakhstan and Kyrgyzstan. India was the leading force of Chinese border trade in South Asia. But its unstable tendency in Sino-Indian economic relations is causing the rise of China threats detrimental to the peace and development in the Subcontinent in the eyes of India. In addition, Malaysia, Singapore, and Thailand among the countries in Southeast Asia were the principal counterpart for China's trade. But the relative decline of the border trade between Myanmar and China from 2000 to 2008, as a connecting area between Western China and Southeast Asia, adds an open question to the harmonious development of Western China in the long term.

[Table-1] The Growth Rate of Import and Export in Western China, 2000-2005(%)<sup>26</sup>

Region / Year	2000	2005
Chongqing	47.7	11.3
Sichuan	3.1	15.1
Guizhou	20.5	-7.3
Yunnan	9.2	26.8
Tibet	-21.7	2.8
Shannxi	6.7	25.7
Gansu	40.2	49.4
Qinghai	48.1	-28.2
Ningxia	39.3	6.4
Xinjiang	28.2	41.0
Inner Mongolia	102.6	30.9
Guangxi	16.0	21.2
<b>Average</b>	<b>32.2</b>	<b>16.2</b>

What is more, the current asymmetric interactions in the border trade between Western China and its neighboring region have negative feedback to the overall economic development of Western China in the short term as well. As shown well in the table above, the average growth rate of import and export in the region of Western China (Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shannxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia, and Guangxi) has decreased about a half to 16.2% in 2005 from 32.2% in 2000. This decreasing tendency demonstrates

<sup>26</sup> The table is generated from *China Statistical Yearbook, 2000-2006*.

the uneven and asymmetric nature of the border trade in Western China. Taking into account that the overall Chinese border trade surrounding Western China has been monitored and guided mainly by Beijing and Shanghai, it is needless to say that the downfall of the border trade in Western China would have enormous negative impacts on the domestic resilience in the region. For China, therefore, it is important to take Western China and its interregional trade seriously from a geopolitical view into a geoeconomic strategy.<sup>27</sup> Even though *hexie shehui* [a harmonious society] was proposed officially as an important concept for the domestic governance in China, it is true that there has been xenophobic contempt for foreign cultures as a standard response to “the power of the Inner Asian barbarians.”<sup>28</sup> The uneven tendency and asymmetric development of the economic interactions between Western China and its neighboring region, in this context, would invite a variety of serious political protests with the ventilation of emotional outbursts empowered by the local feelings of isolation and dissatisfaction.

#### **IV. Governing Western China Peacefully and Harmoniously**

Could the peaceful and harmonious approaches adopted by China be witnessed in the process of Western China development? The border trade in Western China has a long history. 14 countries including Indian, Pakistan, Mongolia, Tajikistan, Kazakhstan, Kyrgyzstan, Nepal, Laos, and Vietnam are surrounding the region as a neighbor. The border area in and around Western China, in a sense, is similar in cultural orientation, ethnic origin, religious belief, and social institution. With a long history of cultural exchanges, the region has cultivated a unique form of the border trade. In the period of Qin and Han dynasty, the journey of “the silk road” was started with a variety of commercial exchanges. The border trade in Western China has been conducted more than 2,000 years. Minor ethnic groups have emerged as main actors of the border trade in the region since the Reform and Opening Up in 1978. However, relative small size of economic interactions in the region is still obviating the border trade from forming an interregional market with big opportunities.

What is more, the non-existence of appropriate market integration combined with the serious lack of capital, infrastructure, manpower, and the interregional market could make Western China development plausible nominally but impossible practically.<sup>29</sup> Although Sino-Kazakhstan bilateral trade and Sino-Indian economic relations have made some positive progress, the relative growth rate of

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<sup>27</sup> Guangcheng Xing, *Central Asia on the Rise* (Taipei: Wunan Book Inc., 1993), p. 210.

<sup>28</sup> John K. Fairbank, *China: The People's Middle Kingdom and the US* (Cambridge, MA: The Belknap Press of Harvard University Press, 1967), p. 45.

<sup>29</sup> Andrew Watson, Xueyi Yang and Xingguo Jiao, “Shannxi: The Search for Comparative Advantage,” in Hans Hendrischke and Chongyi Feng, eds., *The Political Economy of China's Provinces: Comparative and Competitive Advantage* (London and New York: Routledge, 1999), p. 100.

bilateral trade interactions with other nation in Asia such as Japan and South Korea shows structural vulnerabilities of *xibu dakaifa*.<sup>30</sup> The external environment of Western China is now seriously unbalanced and unstable, thus, the prospect on the harmonious development in the region would be not so positive in the long run. To meet these challenges and to promote the harmonious development in Central Asia, South Asia, and Southeast Asia, China has initiated the establishment of the SCO. But the economic accomplishment in the framework of the SCO has been less useful, some countries in Central Asia and South Asia even regard it as a dangerous movement by China against their national security and economic development.

In an era of globalization and the Islamic renaissance, on the other hand, Peking has been watchful about the growing influence of political Islam in Central Asia and South Asia near to Xinjiang since 1990s.<sup>31</sup> China's security concerns over Western China seem to be even more serious over the revival of ancient Turko-Mongolian nexus buttressed by active Turkish supports for the independence of "Turkish Uyghur" in Xinjiang and the evolving concept of the pan-Turkism linking Western China to the Middle East.<sup>32</sup> From a perspective of New Delhi, In addition, there is a suspicious view on the role of the dual rise of *Chindia* [China and India] and its global implication adding a mixed aspect of growing Chinese economic clout to the Middle East via Pakistan. According to an examination on the prospect of economic cooperation between China and India, it is argued that "they are not as big as they seem. To 2020, 20% of global growth will come from them [India and China], that means 80% will not. The two Asian giants will not come to dominate the world economy."<sup>33</sup> Its intrinsic implication is that Sino-Indian economic cooperation could not be sustainable in the long term, for both countries should acquire their own markets around the world via Western China. Although China has established the SCO in order to deal with a variety of critical issues in Western China connecting with Central Asia, South Asia, and Southeast Asia, Peking's deep suspicion on the role of Russia and the radical Islamic elements in the region would make it less consistent and cooperative to take fundamental measures in solving regional problems and promoting economic development.<sup>34</sup>

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<sup>30</sup> Colin Mackerras, Pradeep Taneja and Graham Young, *China since 1978: Reform, Modernization and "Socialism with Chinese Characteristics"* (Melbourne: Longman Cheshire, 1994), p. 237.

<sup>31</sup> Hisao Komatsu, "Re-Islamization of Central Eurasia," in Yuzo Itagaki, ed., *The War against the Terror and the Islamic World* (Tokyo: Iwanami Shoten, 2002), pp. 77-79.

<sup>32</sup> Lillian Craig Harris, *China Considers the Middle East* (London and New York: I. B. Tauris, Co., 1993), p. 269; Wang Ke, *A Multiethnic State: China* (Tokyo: Iwanami Shoten, 2005), pp. 199-209.

<sup>33</sup> David Smith, *The Dragon and the Elephant: China, India and the New World Order* (London: Profile Books, 2007), pp. 212-214.

<sup>34</sup> Stepen Blank, "China in Central Asia: The Hegemony in Waiting?" in Ariel Cohen, ed., *Eurasia in Balance? The US and the Regional Power Shift* (Burlington, VT: Ashgate Publishing Company, 2006), p. 150.

[Table-2] Frequency of Key Words Appeared in the Reports of NCCPC, 1982-2007<sup>35</sup>

Key Words	12 <sup>th</sup> , 1982	13 <sup>th</sup> , 1987	14 <sup>th</sup> , 1992	15 <sup>th</sup> , 1997	16 <sup>th</sup> , 2002	17 <sup>th</sup> , 2007
Nation ( <i>minzu</i> )	5	23	22	37	54	39
People ( <i>renmin</i> )	40	75	96	116	126	143
China ( <i>zhongguo</i> )	7	45	111	116	78	142
State ( <i>guojia</i> )	27	86	72	79	62	60
Society ( <i>shehui</i> )	42	253	224	257	231	309
Democracy ( <i>minzhu</i> )	5	51	39	57	58	69
Science ( <i>kexue</i> )	0	36	18	35	26	64
Peace ( <i>heping</i> )	1	12	25	34	25	40
Development ( <i>fazhan</i> )	47	176	163	186	239	307

Is it possible for the CCP, then, to maintain Western China peacefully, harmoniously, and sustainably at the same time? There is a contradictory aspect in the development policy of Western China. That is, China is searching for cooperative interactions from Russia and the neighboring countries in Central Asia, South Asia, and Southeast Asia against the US unilateralism, while preparing for the unexpected movements from radical Islamists and the spread of anti-China forces against China's peaceful development and political integrity. It is obvious in the long term, therefore, that the CCP could not keep Western China peaceful, harmonious, and sustainable simultaneously, given the uneven nature and asymmetric development of the border trade in Western China. However, it is not to say that the growing presence of Chinese influence to the Middle East from Western China through Central Asia, South Asia, and Southeast Asia is not important. Consequently, the rise or fall of Western China would offer a new strategic window not only for the balance of global power among Russia, the U.S., and China but also for the regional competition among Islamabad, New Delhi, and Peking.

Governing Western China peacefully and harmoniously is also important for domestic stability and social cohesion in China. The asymmetric tendency of the border trade around the region as well as uneven interactions among Eastern China, Central China, and Western China would invite abnormal soaring of emotional outbursts against the elements detrimental to regional development defined by the ethnic memory. Although critical policy concepts such as *fazhan*

<sup>35</sup> Created from six original manuscripts of the National Congress of Communist Party of China (NCCPC) from 1982 to 2007, which were presented respectively by Hu Yaobang (1982), Zhao Ziyang (1987), Jiang Zemin (1992, 1997, 2002) and Hu Jintao (2007), at <http://cpc.people.com.cn>.

[development] and *shehui* [society] frequently appeared in the report of National Congress of Communist Party of China (NCCPC) in 2007, it should not be neglected that the number of *zhongguo* [China] in the report was doubled than in 2002. It is believed that "China's behavior largely has been consistent with its policy and rhetoric."<sup>36</sup> And the growing importance of the concept of *shehui* [society] in the official report, at least, would be supportive of an argument that "the rise of civil society will enable China to participate in global governance more effectively. ... Although it is only just emerging and is still quite fragile."<sup>37</sup> Governing Western China peacefully and harmoniously, accordingly, would be dependent on the evolution of the Chinese society which is gradually distancing itself from the legacy of the Great Wall mentality.

## V. Conclusion: Western China with a Global Outlook

Finally, what is the geopolitical implication of Western China's emergence as one of strategic axis in Central Eurasia linking China to the Middle East via Central Asia and South Asia? Although economic interactions between Western China and its neighboring countries are positive in general, it is necessary for the peaceful and harmonious development of Western China to overcome thorny issues and deepen economic relations with the countries around the region. The global financial crises originated from the vortex in the Wall Street in 2008 had serious but unequal impacts on China and the countries around Western China. To cope with the crises, China needs to expand its domestic market in an effort to sustain upturn of economic development vital for political stability. For the countries in Central, South, and Northeast Asia, it is necessary to find out a new space of national development. Western China development could offer a strategic solution for China and the countries around the region.

It is assumed that *xibu dakaiifa* could not be realized without the harmonious interaction between Eastern and Western China, *dongxi hexie*, as well as without the active cooperation between Southern and Northern China, *nanbei hezuo*. By the same token, Western China development could provide valuable grounds for economic cooperation between China and the countries in Central, South, and Northeast Asia in a comprehensive way. It is vital for the peaceful development of Western China as well as for building up a cornerstone of stable co-prosperity and harmonious co-existence for the integrating process in Asia. In a sense, the genesis of open regionalism in East Asia would be formed when the development of Western China with neighboring countries can be sustained peacefully and

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<sup>36</sup> Christopher J. Pehrson, *String of Pearls: Managing the Challenge of China's Rising Power across the Asian Littoral* (Carlisle, PA: Strategic Studies Institute, US War College, 2006), p. 11.

<sup>37</sup> Guoli Liu and Su Hao, "Civil Society and Chinese Foreign Policy," in Yufan Hao and Su Lin, eds., *China's Foreign Policy Making: Societal Force and Chinese American Policy* (Burlington, VT: Ashgate, 2005) pp. 182-183.

harmoniously. Open regionalism around Western China through interregionalism would invite collective identities.<sup>38</sup> In this process, it is clear that China's economic role would be critical.<sup>39</sup>

Historical emphasis on defending Inner Asian frontier in an effort to protect the central part of Sinosphere, *zhongyuan*, would generate a sense of self-made delusional fears in promoting Western China development. The establishment of the SCO by China, in a sense, resents its suspicious attitudes against the foreign forces including the US. An interpretation on the world vision of China, in tandem, argues that it is designed for the post-hegemonic world excluding the West in the name of *tianxia* system defined by China.<sup>40</sup> According to the theory of offensive realism, moreover, "a wealthy China would not be a status quo power but an aggressive state determined to achieve regional hegemony."<sup>41</sup> It is also not impossible that domestic power shifts in China can change foreign policy attitudes.<sup>42</sup> The rise or fall of Western China as the final phase of *liang ge daju* proposed by Deng Xiaoping, therefore, would invite a new strategic dimension in global power architecture.

On the other hand, it is true that the US has a comparative advantage and the key to keeping the various balances in Asia.<sup>43</sup> It is also argued that China would continue to rise but cannot be a global challenger against the current global leadership led by the U.S. in the short term, while making every effort to obviate drastic internal instability.<sup>44</sup> With structural sensitivities and economic vulnerabilities, it would not be difficult to contain the rise of Western China by "limiting market access to Chinese goods and firms."<sup>45</sup> As a strategic remedy for this dilemma, a Chinese scholar has stressed that, "China should neither act as a challenger or follower."<sup>46</sup> What is vital for China in his argument is to build up security mechanisms and strengthen economic interdependence on the regional basis. In contrast, it was also suggested as a final solution that China's *strategic*

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<sup>38</sup> Jürgen Rüländ, "Interregionalism: An Unfinished Agenda," in Heiner Hänggi, Ralf Roloff and Jürgen Rüländ, eds., *Interregionalism and International Relations* (London and New York: Routledge, 2006), pp. 308-310.

<sup>39</sup> Yongnian Zheng, "China and Open Regionalism in East Asia," at [http://zaobao.com/special/forum/pages7/forum\\_zp090826.shtml](http://zaobao.com/special/forum/pages7/forum_zp090826.shtml).(2009-08-26)

<sup>40</sup> William A. Callahan, "Chinese Visions of World Order: Post-Hegemonic or a New Hegemony?" *International Studies Review*, Vol. 10, No. 4, December 2008, pp. 749-761.

<sup>41</sup> John J. Mearsheimer, *The Tragedy of Great Power Politics* (London and New York: W. W. Norton & Company, 2001), p. 242.

<sup>42</sup> Stuart Harris, "China: Globalization and Its Diplomatic Structure and Process," in Justin Robertson and Maurice A. East, eds., *Diplomacy and Developing Nations: Post-Cold War Foreign Policy-Making Structures and Processes* (London and New York: Routledge, 2005), pp. 119-120.

<sup>43</sup> Henry Kissinger, *Does America Need a Foreign Policy? Towards a Diplomacy for the 21st Century* (New York and London: Simon & Schuster, 2001), p. 118.

<sup>44</sup> Robert Jervis, "Unipolarity: A Structural Perspective," *World Politics*, Vol. 61, No. 1, January 2009, p. 212.

<sup>45</sup> Gordon Redding and Michael A. Witt, *The Future of Chinese Capitalism: Choices and Chances* (Oxford, NY: Oxford University Press, 2007), p. 232.

<sup>46</sup> Gerald Chan, *China's Compliance in Global Affairs: Trade, Arms Control, Environmental Protection, Human Rights* (Singapore: World Scientific Publishing Co., 2006), p. 212.

*tolerance* will lead to the era of Sino-centric world.<sup>47</sup>

Basically, a common interest in the peaceful and harmonious Western China linking Central Asia and South Asia to other parts of China would keep the region away from any material conflicts, as is likely in East Asia.<sup>48</sup> It can be argued as well that China has a traditional legacy of *datong* [one-world philosophy] aiming at uniting “the world into a global community with harmony and peace.”<sup>49</sup> Thus, Western China development would present a Chinese solution for domestic problems as well as for global issues linking Peking to the Middle East in a broader sense. In this context, the harmonious relationship between *xibu dakaiifa* and the border trade in the region are important not only for the peace of Western China but also for harmonious relations between China and the US. Given the recent radicalization of political Islam, a successful governance of Western China would add more respectful response and attitude to China even from the countries in the Middle East.<sup>50</sup>

In a nutshell, an active strategy for regional governance is necessary to more effectively implement *xibu dakaiifa* with a global outlook, sustainable design, and continuous interactions.<sup>51</sup> For the fulfillment of the harmonious development of Western China, a set of peaceful external or interregional environment should be maintained as follows. Most of all, the development of Western China needs stable economic relations with Central Asia including the border trade. Second, Western China development should maintain evolving economic relations with South Asia. Third, it should promote a positive relationship in economic interactions with ASEAN. And finally, China should advance cooperation with Russia in the framework of the SCO in order to peacefully and harmoniously govern Western China, while making efforts to cultivate good relationship with the US in order for maintaining a friendly interregional environment in the long term. Thus, the harmonious development of Western China needs widening eyes of the dragon with a global outlook.

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<sup>47</sup> Amy Chua, *Day of Empire: How Hyperpowers Rise to Global Dominance – And Why They Fall* (New York: Doubleday, 2007), pp. 288-291.

<sup>48</sup> Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley and London: University of California Press, 2004), p. 150.

<sup>49</sup> Baogang Guo, “From Conflicts to Convergence: Modernity and the Changing Chinese Political Culture,” in Yang Zhong and Shiping Hua, eds., *Political Civilization and Modernization in China: The Political Context of China's Transformation* (Singapore: World Scientific Publishing Co., 2006), pp. 90-91.

<sup>50</sup> Jon B. Alterman, “China's Soft Power in the Middle East,” in Carola McGiffert, ed., *Chinese Soft Power and Its Implications for the US* (Washington, D.C.: Center for Strategic and International Studies, 2009), pp. 63-76.

<sup>51</sup> Ding Yuanzhu, “The Construction of the Main Functional Areas in order to Promote the Strategy of Institutional Innovation: On the Western Development Strategy in the Next step,” the State Council Development Research Center, People's Republic of China, July 6, 2009.