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MODERNIZATION OF XINJIANG UYGHUR AUTONOMOUS REGION AND ITS IMPACT ON TRANSBORDER RELATIONSHIPS KAZAKHSTAN AND CHINA

Abstract. For nearly two decades, XUAR has been the vanguard in the implementation of the program of large-scale development of the western regions of the PRC. The article discusses the internal and external causes that determine the special role of the studied national region in the Chinese regional politics. The undeniable advantage of Xinjiang Uyghur Autonomous Region (XUAR) is its geographical location. That on XUAR accounted for 1/4 of the Chinese state land border, and it borders with the largest number of foreign countries (in comparison with other autonomous regions) determines the importance of its place in geostrategic plans of China. This geographical position allows to activate the policy of "going outside", that is, the policy of expansion and intensification international trade and economic relations of the country Central Asian, and further in the European direction, forcing course "East accumulates, the West exports." Focus in the article is devoted to dynamic changes in the socio-economic development of the area as a result of the strategy being implemented. As a result, the study justifies the unique place of XUAR in China’s cross-border relationship with Kazakhstan. Accelerated development of XUAR is an important factor influencing the Kazakh-Chinese cooperation in trade, energy, transport infrastructure, safety, ecology, culture. Moreover, without the factor of XUAR it is impossible to design a holistic system of development of Central Asian region.

Keywords: Xinjiang Uyghur Autonomous Region, PRC, regional imbalances, economic modernization, Kazakh-Chinese cross-border cooperation.

Introduction. Despite quite promising prospects and positive trends in the Chinese economy, China still faces many serious problems. One of the most important reasons for cautious skepticism about the possibility of China becoming a truly dominant power in the next quarter-century is its uneven regional development. This reason is quite aptly noted by the author of the famous book "The Great Chessboard" Z. Brzezinski: "The rapid development of China increases social inequality. At some point, either because the government may try to limit these inequalities or because of social inequalities from below in the development of certain areas and inequalities in living standards may, in turn, have an impact on the political stability of the country [1, p. 192].

Indeed, the grandiose transformations of the Chinese economy, which began about forty years ago, are often contradictory. On the one hand, they have helped to achieve prosperity in the country that could not even have been dreamed of until recently. On the other hand, they have further exacerbated and exposed social inequalities. The regional problem becomes particularly complex and acute in countries where nations and nationalities are at different stages of socio-economic and political development, where one of the peoples is superior to the others in economic development, many times more numerous than they are, and has been dominating the society for centuries. Not without reason, China is one of those countries. Back in the early 1980s, some Chinese scientists noted that China, like the rest of the world, has
so-called "first", "second" and "third worlds", referring to the huge socio-economic differences in the level of development of individual areas of the country.

The so-called "third world" includes, first of all, the western regions of China, among which the Xinjiang Uyghur Autonomous Region should be singled out, [2, 3] in which the problems of socio-economic lagging behind are aggravated by the ethnic factor.

**Methods of research.** To study the socio-economic results of the accelerated modernization of XUAR and the role of the region in the transboundary Kazakhstan-China cooperation, the author used the civilizational [4, 5] and socio-constructivist approaches [6], which allow to expand the field of analysis and see in the studied object not only cognitive, but also social component. The application of economic and statistical analysis and regional diagnostics methods has made it possible to process a variety of statistical material, various input data characterizing the level, structure, and characteristics of XUAR's socio-economic development. The assessment is given to the development of the region as a whole and covers all the main aspects of its development. [7, 8] In addition, the diagnostic method made it possible to identify and assess the key problems that are most significant from the point of view of solving specific tasks of regulating territorial development, in what direction and with what changes the general regional situation and certain regional problems are transformed.

**Results and discussion.** Since the beginning of the policy of reform and openness, especially after the 12th CPC Congress, the economic development of China has clearly shown a trend of priority development of the eastern regions. The meaning of regional policy was the gradual, step-by-step economic development of China. Three economic belts were identified: the developed East, the underdeveloped Centre and the underdeveloped West. For each belt, specific tasks were set. The eastern (coastal) regions were given the task of anticipatory development. Central areas were to be developed on the basis of existing critical facilities. The western districts had to prepare for the development. The more developed eastern region was assigned the role of a locomotive, which should have been pulled by the less developed central and western regions. However, this regional policy has increased the imbalance in regional socio-economic development.

Unequal starting conditions gave significant advantages to the coastal regions, which by the beginning of the reform were far ahead of the inner regions in terms of socio-economic development. On the other hand, these benefits were enhanced by the creation of a favourable market environment for business in the coastal provinces. As China's economic ties with other countries have become more intense and the Chinese economy has become more open, external factors of regional development have become increasingly important. The best conditions for inclusion in the world economic processes are the coastal provinces with advantages in terms of transport and geography, specializing in light industry, electronics and electrical engineering, and characterized by a higher degree of denationalization of the economy and a favorable business climate [9, p. 51].

As a result of this regional disparity, since the beginning of economic reforms, the gap in the socio-economic development of the eastern and western regions has become so wide that it is very difficult to overcome in the short term.

There is a significant regional differentiation in the Gross Regional Product (GRP) per capita, the level of development of the productive forces and the structure of the economy. Thus, the post-industrial structure of the economy includes the central subordinate cities of Beijing (the tertiary sector - 76.5% in 2012.) and Shanghai (60.4 per cent); the strongest industrial structure with the highest share of secondary sector is in Qinghai (57.7 per cent), Henan (56.3 per cent), Shanxi (55.6 per cent); the highest share of primary sector is in Hainan (24.9 per cent), XUAR (17.6 per cent), Guangxi Zhuang Autonomous Region (16.7 per cent) [9, p. 50].

The imbalance in the level of development of China's regions has remained for many decades the most perceptible and painful problem, without which successful progress towards reform was impossible. Different starting levels of social and economic development, different economic structure and specialization, and varying degrees of urgency in addressing the social problems of China's regions make it necessary to take into account the regional specifics of economic management.

Until recently, the problem of "western territories" has been specifically addressed by changing the demographic situation and the direction of the Han Chinese titular nationality labor force in XUAR to reduce the percentage of the Uyghur population, as well as by stationing units of the People's Liberation
Army of China (PLA) and paramilitary groups there. However, such a complex problem could not be solved only by administrative measures, and the policy of the Chinese leadership to change the demographic balance has repeatedly caused aggravation of the situation in this region. As a result, Beijing's policy has been reoriented towards equalizing economic life in the eastern and western parts of China [10, p. 65].

Despite the fact that the task of modernizing Xinjiang has been set repeatedly, the Chinese leadership was able to approach it only at the beginning of the XXI century within the framework of a long-term comprehensive program of large-scale development of western provinces. It is noteworthy that XUAR has become the main link in the implementation of this strategy. The focus of PRC’s central government on Xinjiang UAR has a number of internal and external causes.

Internal reasons include the following:

Firstly, realizing that uneven regional development can become not only an economic, but also an acute socio-political problem, causing ethnic conflicts and strengthening separatist sentiments, the Chinese leadership has decided to shift the bias in regional policy towards the western regions by raising their economy, infrastructure construction, and improving the welfare of the population.

Second, XUAR is the region with the richest natural resources. The deposits of 138 types of minerals out of 171 available in China, including 7 types of energy resources, 42 types of metals, 70 types of non-metallic ores, 3 types of underground waters were discovered here. In 2013, XUAR has ranked first in China in terms of potential mineral reserves. Energy resources are of the greatest interest to the country. According to the second energy assessment, Xinjiang's oil reserves amount to 20.9 billion tons (30% of China's total oil reserves), natural gas reserves - 2.1 billion cubic meters (more than 40% of the total natural gas reserves), coal reserves - 2.19 trillion tons (40% of China's coal production) [11, p. 24].

The strategic plan is to turn XUAR into China's largest oil and gas industry base in the near future. To achieve this goal, the Central Government annually increases funding for exploration and development of hydrocarbon deposits in XUAR. Credits from international financial institutions and foreign governments are also actively used. Here the pragmatic interest of the Chinese leadership in Xinjiang is evident, which is related to the prospect of using Xinjiang's natural wealth, and its mainly usage outside the national autonomous region.

Thus, on July 4, 2002, the Tarim Basin Natural Gas Transmission Project (XUAR) was officially launched in densely populated Eastern China (Shanghai), where industrial production is concentrated. Investments in the first and second phases of the Project amounted to over 290 billion yuan. The main pipeline and 8 gas pipeline branches were commissioned on December 30, 2012. At the end of the second phase, almost 40,000 km of gas pipeline network covering 28 provinces and autonomous regions of mainland China and the Hong Kong Special Administrative Region were constructed in China [12, p. 59].

Third, XUAR is the largest administrative unit among the autonomous regions of China, occupying 1/6 of the total area of the country, while its population is only 1.5% of the country's population. Therefore, it is equally important for the Chinese leadership to be able to mitigate the demographic problem in the country's interior and coastal provinces by relocating their surplus population to the sparsely populated Xinjiang UAR by Chinese standards [13]. The justification for such a relocation is explained by the need for staff support for the implementation of the strategic project and the unwillingness of the western regions to perform such grandiose tasks on their own.

Indeed, the western region suffers from a huge shortage of qualified personnel, especially in science and technology. At the beginning of the implementation of the Strategy, 75% of the country's top-level professionals were concentrated in coastal areas, 21% in the central regions and only 4% in the western regions. In the eastern regions, out of 10 thousand employed 885 persons had professional education, while in the western regions, only 92 persons had professional education. While the eastern regions had 415 higher education institutions, the western regions had only 142, most of which were located in the Han Chinese regions [14, p. 130]. The lack of specialists in the western regions has been covered by their mass transfer from the eastern regions of China for a decade already. But the fact is that the attraction of additional labor resources from other regions of the country can not continue indefinitely, as it has already radically changed the ethnic composition of the population of the national districts, significantly increased the demographic burden on the territory of Xinjiang UAR and created the ground for ethnic conflicts.
However, it should be noted that, while the above mentioned internal reasons are important, the external vector of implementation of the Strategy is a priority in the development of border regions, which includes Xinjiang UAR in particular. The "cross-border growth and development model" has been chosen to increase the competitiveness of the province [15, p. 94].

Xinjiang's geographical location has specific regional characteristics. In terms of transport and geographical continentality, it belongs to the ultra-continental regions, as most of its territory is located more than 2,000 km from the coastline, which means that it has the least favourable geographical position in relation to the sea routes. Therefore, the industrial development of XUAR territory is not linked to the export of products through seaports, but to the creation of a single inland market of Central Asian countries and western provinces of China [16]. Xinjiang's ultra-continentalism is thus used as a beneficial geographical factor to facilitate cross-border economic cooperation with neighboring countries.

Kazakhstan is Xinjiang UAR's main trade and economic partner among all 8 countries bordering the area and the PRC's largest partner in Central Asia. The common border (1,718 km) between the two countries is long enough to allow direct communication without intermediaries. The economic upsurge of

![Silk Road revival map](http://silk.owasia.org/2015/10/89/silk/)

Figure 1 – Map of the New Silk Road.

Source: [http://silk.owasia.org/2015/10/89/silk/](http://silk.owasia.org/2015/10/89/silk/)
Xinjiang's borderline Xinjiang may give a powerful impetus to trade and economic relations between Kazakhstan and China.

In 2018, trade turnover between Xinjiang and Kazakhstan reached 15.195 billion U.S. dollars (USD), representing 36% of Xinjiang's trade with countries along the Belt and Road [17].

Unfortunately, the structure of economic cooperation between Kazakhstan and Xinjiang UAR has been deformed. Bilateral relations are limited to trade in raw materials, household and consumer goods, and small and medium-sized businesses. There is a lack of mutually beneficial cooperation in technological, inter-sectoral, as well as intrasectoral areas, which reduces the effectiveness of regional cooperation with Xinjiang UAR, and cross-border trade with China as a whole. Kazakhstan and Central Asia are gradually becoming one of China's most important energy import bases, while the western parts of the country are becoming the country's largest oil and gas processing capacity, contributing to the development of the economics of these regions and to China's energy security. Therefore, it is possible to assume further strengthening of Chinese energy diplomacy in the Central Asian direction, contributing to the creation of a favorable external energy environment and ensuring the flow of oil to China. However, the negative consequences of the raw material orientation of exports for our country are well known. This includes the depletion of limited natural resources, losses associated with the disparity of prices for Kazakh raw materials and Chinese finished products, and huge risks associated with the dependence of the country's economy on the oil and gas situation, and finally, the decline in international competitiveness of the country.

Solving this problem involves the formation of new impulses and mechanisms of cross-border Kazakh-Chinese cooperation, promoting the international competitiveness of our country and the implementation of innovation-oriented modernization of the national economy [18].

As you know, Kazakhstan supported China's initiative to revive the Silk Road and, for its part, put forward a proposal to link the Nurlu Zhol programme with the Silk Road Economic Belt. The priority direction of the current stage of the Kazakh-Chinese partnership is the transport and logistics sector. Cooperation in this area will allow not only to develop the transport infrastructure of Kazakhstan, but also to increase revenues from transit. After modernization of its transport system, Kazakhstan expects to increase its share in transit services for Chinese cargo to Europe to 8% [19].

However, it should be noted that Kazakhstan's participation in the Silk Road Economic Belt project should not be limited to servicing huge cargo flows and establishing reliable transit of Chinese goods to Europe. According to the academician of the National Academy of Sciences of the Republic of Kazakhstan A.K. Kosmanov, there would be a one-sided interpretation of the economic benefits of the land "Silk Road" from the position of "pure transit". The development of this route on the basis of public-private partnership (PPP) will mean the "subsidence" of capital in Kazakhstan together with the labor force and the organization of modern enterprises in the country. Central Asian states therefore need to structure their policies in such a way as to generate substantial economic dividends from such cooperation, while at the same time preserving national sovereignty. When opening transport and energy corridors on the Single Silk Road, Kazakhstan should play a key role in infrastructure and industrial development along their entire length [20, p. 11].

The New Silk Road project promoted by China involves not only the revival of the ancient transport route between East and West, but also a large-scale transformation of the entire trade and economic model of Eurasia, primarily Central Asia. In fact, it is a question of reaching a new level of partnership and interaction on the entire Eurasian continent in the long run. The length of the main direction of the "New Silk Road" through Central Asia is about 6500 km, of which 4000 will pass through the Chinese territory - from the Pacific coast to Xinjiang Uighur Autonomous Region. The proposed route will then pass through Kazakhstan, Uzbekistan, Turkmenistan, Iran, Iraq, Syria and Turkey, and from there to Europe via Bulgaria, Romania and the Czech Republic to Germany; branches from the main route will also reach many other neighbouring countries [21].

In purely transport dimension, the construction of new transport corridors should reduce the time of delivery of goods from China to Europe from the current 45-60 days by sea to 10-13 days by land. Of course, such a shortening of transportation time could lead to a significant optimization and cheapening of many Chinese goods, which would allow China to strengthen its position in the European and Asian markets, as well as to conquer new markets in Africa and the Middle East [22].
Xinjiang, at the heart of Eurasia, plays the role of a bridge on the Silk Road Economic Belt for China's trade with Central, South and West Asian countries, transit to Europe and the Middle East, as well as imports of strategically important minerals from Central Asia and Russia.

To fulfill this role, the Chinese government has established the Kashgar Economic Development Zone in South Xinjiang, which is one of the six largest FEZs in China. Its residents enjoy almost all the benefits and privileges available in other Chinese Free Economic Zones. In the northern part of Xinjiang, bordering Kazakhstan, the Khorgos International Center for Border Cooperation was opened in 2011 with a total area of 5.28 square kilometers, which is expected to increase the volume of cargo transit from 5 million tons in 2015 to 20 million tons by 2020. XUAR has a total of 29 checkpoints, of which 17 are Class 1 and 12 are Class 2 border crossings. There is trade through them with 119 countries and regions. The majority of the gateway checkpoints are equipped with high-class equipment, which allows for customs clearance of goods in the shortest possible time. For example, Alashankou, through which the railroad passes, is the second largest in China in terms of cargo volume and is the largest and most efficient checkpoint in Northwest China. An important condition for the development of FEZs in XUAR was the establishment and further development of transport highways and services for trade and investment. In particular, the Urumqi-Khorgos high-speed railroad was commissioned in 2018. In China's information field, it has already been called "the central part of the New Silk Road starting in China" and "a strategic railway for all border states" [11, 15, 21].
Conclusions. From the very first steps of implementing its strategy of large-scale development of the western regions, China has made every effort to turn Xinjiang into an "exemplary land for the whole country". The current scale and pace of economic construction in the Xinjiang UAR border areas indicates that the PRC's plans are indeed being implemented. There is no doubt that in the coming years, the southeastern borders of our republic will have the largest international trade, industrial, transport and logistics hub in Central Asia, which will undoubtedly exert a powerful pressure on the economic, demographic and environmental situation in Kazakhstan and other Central Asian countries.

XUAR is linked to Kazakhstan and Central Asia not only by historical, cultural, and linguistic roots, but also by close economic ties. It is short-sighted not to take into account the potential impact of XUAR on material production intensification processes in Kazakhstan. Therefore, one of the most important tasks of Kazakhstan's foreign economic strategy is to form a balanced model of cross-border cooperation between Kazakhstan and China, in which the economic security of trade partners would not be in doubt.

For Kazakhstan, the prospect of becoming a bridge between entire regions and the subsequent deepening of trade and economic ties with China is economically attractive. But the actual participation of our country should not be limited only to the servicing of huge cargo flows, establishment of reliable transit of Chinese goods to Europe. Kazakhstan's primary task in considering participation in the Chinese Silk Road Economic Belt project is to make the most effective use of the advantages of the Chinese initiative, on the one hand, and to minimize the inevitable risks, on the other.

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ШЫҢҚАҢ У ЫЙГЫР АВТОНОМИЯЛЫҚ АУДАНЫҢ МӘН КЫТАЙ АРАСЫНДАҒЫ ТАҢСАҚАРАЛЫҚ ҚАРЫМ-ҚАТЫНАСТАРҒА ЭСЕР

Анализация. КХР-нын батыс аймақтарында иеру бойынша ауықымды баягдарламасының жүзеге асырылуы ШТУАА шамамен 20 жыл бойы адамыңың шешіп орын алып келеді. Макалада зерттелетін өлдік беру ауданының қытай аймақтық салсатындығы реліңің аналитикасы сыртында және ішкі қызметтері қарап алынады. Шыңқан Үйғыр автономиялық ауданының (ШТУАА) арқылы орталық қағаздары. ШТУАА-ның Қытай үйіретін өзгешеліктері жоспарларының манында орын орның қытай мемлекеттік шекарасының 1/4 болған құралымен және көңілбес тісім басқа әлісімен қәсіп жасау әлісімен (басқа автономиялық аймақтармен салыстырғанда) анықталады. Мұндай өзгерішимдер және қысқатыққа сәйкестігін қайрылдырып, яғни Орталық жаңа және алынған сәуле әлісімен қытай сатының өзінен алып, алынған өзінен қарап, басқа жаңа қызметтерге арналған. Бұл мұндай үйіретін өзге қызметтері арқылы штаттың қағаздарының манындағы қызметтің өзгешелігінен ар көп байыздаған.

Тұның сәйдә: Шыңқан Үйғыр автономиялық ауданы, КХР, аймақтық диспропорция, экономикалық модернизация, Қазақстан-Қытай үйіретінің сәркіркестігі.

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МОДЕРНИЗАЦИЯ СИНЬЬЗЯН-УЙГУРСКОГО АВТОНОМНОГО РАЙОНА И ЕЕ ВЛИЯНИЕ НА ТРАНСГРАНИЧНЫЕ ВЗАИМООТНОШЕНИЯ КАЗАХСТАНА И КИТАЯ

Анализация. Вот уже почти два десятилетия СУАР является авангардом в реализации Программы масштабного освоения западных районов КНР. В статье рассматриваются внутренние и внешние причины, определяющие особую роль исследуемого национального района в китайской региональной политике.
Неоспоримым преимуществом Синьцзян-Уйгурского автономного района (СУАР) является его географическое расположение. То, что на СУАР приходится 1/4 часть китайской государственной суши попутной границы, и он граничит с наименьшим числом зарубежных стран (в сравнении с другими автономными районами) определяет важность его места в геостратегических планах Китая. Такое географическое положение позволяет активизировать политику «пятти волн»: идти вовне, то есть политику расширения и интенсификации национально-территориальных связей страны в центральноазиатском и далее в европейском направлении, форсирования курса «Восток акцентирует». Запад экспансиониз. Основное внимание в статье уделяется динамическим изменениям в социально-экономическом развитии района в результате осуществляемой стратегии. В результате проведенного исследования обосновывается уникальное место СУАР в трансграничном взаимоотношении КНР с Казахстаном. Ускоренное освоение СУАР является важным фактором, влияющим на китайско-казахское взаимодействие в сфере торговли, энергетики, транспортной инфраструктуры, безопасности, экологии, культуры. Более того, без учета фактора СУАР невозможно сконструировать целостную систему развития регионов Центральной Азии.

**Ключевые слова:** Синьцзян-Уйгурский автономный район, КНР, региональные диспропорции, экономическая модернизация, китайско-казахское приграничное сотрудничество.

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