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Why Didn't Chinese Investment Ease Ethnic Tensions in Xinjiang?

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EXECUTIVE SUMMARY: The assumption that economic investment aimed at increasing modernization and raising standards of living will weaken ethnic identity and strengthen a minority's sense of belonging has been disproven in the case of the Xinjiang Autonomous Region (XUAR) in western China. Uyghur nationalism is increasing despite significant economic investment by the Chinese government, raising questions about the effectiveness of economic development programs designed to close gaps and diminish polarization between different groups.

In 2017, security measures in Xinjiang reached a new level with the recruitment of 100,000 new police officers, widespread installations of police stations, and new surveillance regulations on the Uyghur population (a Sunni Muslim minority numbering around 10 million citizens). These actions were part of a series of measures put in place following the uprising of July 2009, when some of the worst ethnic riots in Xinjiang in decades erupted in the capital of the province, Urumqi. They were sparked by demonstrations organized by the Uyghur to protest economic and ethnic discrimination. After the government used force to disperse the demonstrations, the protest turned into a series of violent acts against Chinese businesses and civilians.

Riots occur almost annually, especially in south Xinjiang, where the majority of the population is Uyghur. The Chinese authorities hoped that in this instance, where tanks and incarcerations had failed, huge financial investment and modernization would succeed in attenuating Uyghur nationalism and reducing ethnic conflict in Xinjiang.

The modernization of Xinjiang, which began in the late 1970s, turned the region into what many consider an "economic miracle," with a GDP higher than that

of China itself. The area is rich in natural resources, including minerals, coal, salt, copper, and gold. In the "Great Western Development" campaign (*xibu da kaifa*), launched in 2000, over \$12 billion were poured into Xinjiang for economic infrastructure as part of a government policy aimed at improving the regional economy and reducing the gap between East and West China. China's grandiose "One Belt, One Road" (OBOR) initiative from 2013, designed to construct a Silk Road Economic Belt (SREB) and a Maritime Silk Road (MSR), also relies on Xinjiang as a gateway to Central Asia.

The initiation of the Great Western Development program, aimed, as noted, at closing economic and social gaps between East and West China, stemmed from the growing fear in the 1990s that failure to address this problem would lead to political and social instability that could ultimately split China in two. Thus, national efforts to improve the economic condition of minorities were spurred, *inter alia*, by the need for political stability. The Chinese government believed that massive financial investment would alleviate the Uyghurs' sense of economic inequality, but the fact remains that Uyghurs are still poorer than their Chinese neighbors.

Although Xinjiang enjoys a high level of economic development, certainly in comparison to the other provinces of Western China, the government exercises more control over its economy than elsewhere in the country, with some 80% of its heavy industry state-owned. This tight control is a consequence of Uyghur unrest and the government's desire to keep it in check. The control of industry on the one hand, and the immense economic investment represented by the OBOR on the other, attest to the seriousness of the ethnic challenge in Xinjiang. The Chinese government acknowledges that social stability in the region is essential for the success of the OBOR initiative. More importantly, the Uyghurs are also fully aware of this circumstance, and may use it to gain power and greater political and social freedom.

The fact that the economic policy meant to modernize the minorities in Western China has thus far failed to achieve social stability has raised intense debate regarding the ability of such initiatives to decrease ethnic conflicts. This suggests that perhaps a different perspective is required to explain these ethnic riots. They might result reflect the minority's perceived opportunity to score political and/or economic gains.

According to the Greed Theory, when the opportunity to achieve financial (or political) gains is higher than the cost of fighting, the chance of conflict breaking out goes up. It is therefore reasonable to assume that, like the Tibetans just before the 2008 Beijing Olympics, the Uyghurs will view the OBOR initiative as an opportunity to profit by escalating (or threatening to escalate) social unrest in the region. China has a major interest in avoiding any outbreak of violence

due to the high profile of the OBOR project and the international cooperation involved. The question that remains is how far the Chinese government will be willing to go in order to prevent conflict.

The Chinese government can decrease the chance of an outbreak of ethnic violence by moderately opening the tightly controlled market in Xinjiang. This would benefit the general Uyghur population, which is currently underrepresented in the public and industrial sectors, and create more opportunities for Uyghurs to better themselves. Secondly, endorsing a new Uyghur leadership drawn from the business sector would not only weaken the power of the Uyghur leaders calling for separatism, but will also send a positive message to the Muslim countries in Asia and the Middle East with respect to China's intentions for the region.

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