Silk Road economic belt: China’s Marshall plan, pivot to Eurasia or China’s way of foreign policy

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Abstract: People’s Republic of China is back to the geopolitical map of the world. As China becomes stronger economically, Chinese interests become increasingly global and diverse, Chinese foreign policy – more assertive.

Obama’s ‘pivot to Asia’ gives a new impetus to China’s westward diplomacy. The concept of a “Silk Road Economic Belt” put forward by President Xi Jinping in 2013 challenges the regional but also global geopolitical landscape. ‘Labelling’ and evaluating, however, the initiative through the prism of the Western perception of world politics will certainly distort the analysis and lead to wrong political decisions.

Index Terms: China, geopolitics, Eurasia, SCO

I. INTRODUCTION

The “Silk Road Economic Belt” initiative put forward by President Xi Jinping in 2013 could reshuffle regional and global geopolitical landscape. Its potential success would allow China to gain strategic depth in Eurasia projecting economic influence and control and challenge the Western-dominated world order.

In order to accurately predict future implications of the initiative, it is necessary to abandon the framework of the Western perspectives on international affairs. ‘Labelling’ and evaluating the initiative through the prism of the Western perception of world politics will certainly distort the analysis and lead to wrong political decisions.

II. SILK ROAD ECONOMIC BELT: CHINA’S MARSHALL PLAN, PIVOT TO EURASIA OR CHINA’S WAY OF FOREIGN POLICY

Silk Road Economic Belt Rationale

In September 2013 during his trip to Central Asia, six months after taking office, Chinese President Xi Jinping announced the Silk Road Economic Belt initiative. In a speech delivered at Nazarbayev University in Kazakhstan, President Xi proposed that China and Central Asia join hands to build a Silk Road economic belt to boost cooperation in the region. He outlined the major dimensions of the initiative: policy communication; road connectivity from the Pacific to the Baltic Sea and the formation of a transportation network that connects East Asia, West Asia, and South Asia; trade facilitation; monetary circulation; people-to-people exchanges. The concept was formally adopted by the Third Plenary Session of the 18th Central Committee of the Communist Party of China (CPC) in November 2013. In March 2015 the Minister of Foreign Affairs of China declared that country’s key focus in 2015 is an all-round progress in the “Belt and Road” initiative that is aimed at catalyzing the revitalization of the Eurasian continent as a whole.

The Chinese president only sketched out this ambitious initiative. Then it was the State News Agency Xinhua that has provided some more details on the parameters of the idea, including a map of the Silk Road Economic Belt and 21st Century Maritime Silk Road (see Map 1).

MAP 1. SILK ROAD ECONOMIC BELT AND 21ST CENTURY MARITIME SILK ROAD

Source: Xinhua News Agency

The route of the new Silk Road passes through the strategic center of Eurasia, through states in possession of huge energy and mineral reserves and solid demographic base. The map published by Xinhua News Agency shows that beginning in Xi’an in Central China the route of the Silk Road Economic Belt will pass through Central Asia, Iran, Iraq, Syria, and Turkey. From Istanbul the New Silk Road goes northwest to Bulgaria, via Romania, the Czech Republic, and Germany before heading north to Rotterdam in the Netherlands and Venice, Italy where it will meet up with the 21st Century Maritime Silk Road.

It is a complex, multifaceted project though loose and yet not quite clear as structure, parameters and mechanisms for implementation. It is still obvious that the Silk Road
Economic Belt is more than a transportation corridor such as the European project TRACECA (Transport Corridor Europe-Caucasus-Asia), for example. It is not only an international trade and cultural exchange route between East and West. It is an element of a large-scale, long-term strategy encompassing also the 21st Century Maritime Silk Road, China – Pakistan Economic Corridor and the Bangladesh – China - India - Myanmar Economic Corridor within the Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM).

The major focus is put on the infrastructure connectivity between Asia and Europe. The initiative envisages a broad network of highways, high-speed railways, pipelines and fiber optic networks across Eurasia. The implementation of this grand strategy will help China enhance its economic integration with countries to the West. But it will also provide China a platform for projecting its political influence in western direction, in the heart of Eurasia.

China is not only the initiator of the idea for a new Silk Road. Beijing declares itself as the major potential source of funding for the implementation of different elements of the initiative. In November 2014 president Xi Jinping announced the establishment of the USD 40 billion Silk Road fund which started operation in February 2015. According to a statement of the People’s Bank of China, the aim of the fund is “to seek investment opportunities and provide monetary services throughout the Belt and Road Initiatives”. It is open not only to Chinese but also to foreign investors,” the statement said.

In this context, the new Silk Road concept addresses one more long-term strategic objective of China - the reinforcement of the use of the renminbi for international transactions and the reduction of its financial reliance on the United States. The Financial Times quotes a senior Chinese official who says: “This is a big change and it cannot happen too quickly, but we want to use our reserves more constructively by investing in development projects around the world rather than just reflexively buying US Treasuries”. The Silk Road project turns to be one of the major instruments of China for diversifying the deployment of its foreign exchange reserves. It will not only channel funds for increasing interconnectivity and infrastructure construction along the Road but it will also succeed in partially decreasing other great powers’ capacity to project power in this region.

The Asia Infrastructure Investment Bank (AIIB) initiated by China in 2013 is another financial institution that provokes particular interest among the countries along the Silk Road Economic Belt. Objected by the United States, AIIB as well as the Silk Road Fund and the Shanghai-based New Development Bank, could be interpreted as a sign of China’s willingness to gradually evade the US-dominated international institutions that underlie the existing international order.

**China’s Peripheral Diplomacy**

During the last two decades of the XXth century China focused on keeping national integrity and political stability as well as on guaranteeing stable economic growth. The country had been strictly abiding by Deng Xiaoping’s idea of “peace and development”. The emphasis in China’s foreign policy was put on ensuring stable and peaceful external environment that allows for sustainable economic development and growth. Deng Xiaoping legacy postulates that China has to "observe developments soberly, maintain our position, meet challenges calmly, hide our capacities and hide our time, remain free of ambition, never claim leadership". This fundamental guideline was respected and applied for a long period of time by the Chinese authorities. There are some indications, however, that the recent foreign policy debate in the country admits its revision in compliance with China’s development, growing role in global affairs and the changes in the regional and international context.

China is already the world’s largest economy and enjoys growing self-confidence on the global scene. Its interests become increasingly global and diverse. As the global environment is dramatically changing, the new Chinese leadership seems ready to apply a more assertive foreign policy approach and demonstrate stronger geopolitical ambitions. One of the most obvious indicators for this change is the increased importance and pro-activism of periphery diplomacy of China in the last several years.

In 2013, at the strategically important Peripheral Diplomacy Work Conference the Chinese president Xi Jinping declares that “The path of peaceful development is the Party's strategic choice, in line the times and the fundamental interests of the country. A major purpose of this peripheral diplomacy is peace and stability in the region”. Xi Jinping has also outlined the major peripheral diplomacy guidelines: “Friendship is the consistent principle of China's diplomacy with its neighbours and sincerity is the way to cultivate more friends and partners. Cooperation with neighbours should be based on mutual benefit and create a close network of common interests”.

These guidelines fully correspond to one of the major ideas which the conception of 'harmony' provides for Chinese foreign policy i.e. a big power needs to win the trust of a smaller state by keeping a low profile and not asserting its power. This idea is outlined by Lao Tse who says: "What makes a great state is how it is like a low-laying, down-flowing stream; the bigger state becomes the center that tends to all the small states like the smaller streams flowing to lower stream. The larger rivers and seas are respected by all the streams because of their skill in being lower than the smaller streams. Thus, they are the king. Since the larger stream does not strive to be dominant, the smaller streams and larger rivers and seas work together". The idea is exemplified by key Chinese diplomatic concepts such as equality, mutual benefit, mutual aid, cooperation, and “win-win” approach – concepts that underlie the Silk Road Economic Belt initiative, as well.

In terms of China’s global interests, East and South East Asia remain the most important strategic direction in Chinese peripheral diplomacy. However, security and stability in south-west neighbouring areas - as a strategic rear of China – is of increasing importance both for
external and internal reasons. Against the background of the increased tensions in East and South East Asia and the so-called “Rebalancing strategy in the Asian Pacific Region” by Obama administration, the expansion of the Chinese influence in Central and South Asia is a strategically important step aimed at breaking the US containment strategy, as perceived by a significant part of the political elite in Beijing.

The Silk Road Economic Belt concept is an important element of China’s strategy of westward extension of its strategic security space. It is a supplementary mechanism for guaranteeing energy supplies for the Chinese economy, decreasing country’s vulnerability, primarily, vis-à-vis the United States and ultimately, safeguarding national sovereignty. M. Swaine from Carnegie Endowment for International Peace points out: “Beijing stress on periphery diplomacy is intended to strengthen China’s relations with periphery countries in many areas while defending its core interests regarding sovereignty issues”15.

Sovereignty is a central category in China. As Zhongqi Pan from Fudan University has pointed out “While, historically, sovereignty is what Europeans invented and what the Chinese were forced to accept, today it is what Europeans try to bury and what the Chinese hold dear” (2010)16. National sovereignty is a fundamental part of the “core interests” of China. The definition of “core interests” evolves in recent years but it definitely includes issues related to the form of government, political system and stability, national security, sustainable economic and social development of the country, energy security and national integrity17. This means that such ‘domestic’ issues as Tibet and Xinjiang as “core interests” are at the center of the Chinese foreign policy.

Xinjiang Uyghur Autonomous Region is a crucial point in China’s Westward policy. The province is the key link between China and Central Asia, the Middle East and Europe. At the same time, it is one of the major points of vulnerability for China because of the separatism among the dominant Uighur population. There are some fears that external powers could use the separatist tendencies among ethnic minorities in the country in order to destabilize China. In 2014 the Chinese president Xi said: “‘The long-term stability of Xinjiang is vital to the whole country’s reform, development and stability; to the country’s unity, ethnic harmony and national security as well as to the great revival of the Chinese nation’”18. Hence, stability and economic development of the neighbouring states in Central Asia are seen as an important prerequisite for guaranteeing stability and security in the western regions of China.

The initiative of the Chinese president affects both the interests of the West and of Russia that had or presently has their own projects for the Eurasian space. Growing political and military supremacy of China in Eastern and Central Asia is one of the most serious challenges to the United States after the end of the Cold war. Chinese hegemony in this part of the world contradicts the traditional US determination to prevent the domination of Europe or Asia by any single power19.

The geographic location of Central Asia and its energy resources - necessary for Chinese economic development, provides good prospects for containing China and restraining its influence in the region. The post-9/11 US political and military penetration in the heartland of Eurasia, in the immediate vicinity of China, brought about temporary competitive advantages of Washington vis-à-vis Russia and China as the major powers in the region. The post 9/11 geopolitical configuration, however, was gradually fading away and even the colour revolutions in Russia’s and China’s periphery zone had turned unable to strengthen US positions in this geopolitical space.

In 2011 the United States officially announced The New Silk Road initiative regarded as a “means for Afghanistan to integrate further into the region by resuming traditional trading routes and reconstructing significant infrastructure links broken by decades of conflict”20. The initiative of then-U.S. Secretary of State Hillary Clinton was a new attempt to rebalance the geopolitical situation in the broader region in accordance with the US interests. The emphasis was put primarily on linking Central and South Asia while tearing the Central Asian republics away from Russia. But it is China that has continued to strengthen its influence in Eurasia challenging both Russia’s and US positions in the region. Large-scale investments, modernized transport infrastructure are the major canals for projecting its influence in western direction.

The US and the Chinese version of the Silk Road project share such common interests as keeping stabilities in Central and South Asia, promoting regional economic and trade relations and deepening regional cooperation. Still, the two initiatives have a completely different underlying reasons and strategic considerations. Even if there are some similarities in strategies aimed at expanding political and economic influence in the region, the approaches applied by the United States and China are completely different. The former – relying on its soft power solidly backed by its hard power has tried to impose its influence and control as well as its values. The latter does not impose conditions and does not bind the participation in the initiative to any political criteria. It is aimed rather at gaining influence relying on the attractiveness of its own model of development. As H. Kissinger writes: “China did not export its ideas but let others come to seek them”21.

Chinese understanding is that there exist many differences in the universe, nature, and society. However, differences do not necessarily result in conflict or contradiction. Coexistence and common prosperity is possible despite diversity22. This is China’s way of doing

Pivots, Plans, Roads and Geopolitical Calculations

Theoretically, the realization of the East-West (trade) corridor could be beneficial to all major powers interested in the region. From geopolitical perspective, however, it will hardly be a win-win situation. Active Chinese policy in Eurasia could strongly affect the geopolitical dynamics in the region and shift the focus of the geopolitical balance that defines the control over the Eurasian space.
foreign policy that does not fit into explanation models based on the Western perception of world politics.

Some experts make an interesting parallel between Obama’s ‘Pivot to Asia’ and Xi’s westward policy which they provisionally call ‘Pivot to Eurasia’. There is no Pivot to Eurasia. At least, it is not a new direction of China’s foreign policy. First, Beijing paid special attention to its West in the early and mid 1990s after the dissolution of the Soviet Union and the appearance of new independent states to its western borders. It realized a number of projects aimed at linking Asia and Europe. These were infrastructure and energy projects implemented not only in Central Asia. For example, taking advantage of the temporary inability of the European Union to fully project its power in the Balkans because of the economic crisis, the Chinese companies have started to acquire strategic assets all over the region. The major focus is again on infrastructure, energy, natural resources, telecommunications, machinery, agriculture. The development of the Third Eurasian Land Bridge that will link south China with Western Europe via Turkey is another element of China’s strategy. One of the major components here is the Turkish – China railway that will allow China to substantially reduce its geostrategic vulnerability and dependence on the sea routes.

Second, China pro-active Western policy misses one key component that the US Pivot to Asia has – the military factor. Xinhua News Agency makes reference to the US plan to deploy 60 percent of its fleet in the Pacific, and equip the Pacific Command with the most cutting-edge capabilities by 2020. At the same time, the focus of the “One Belt and One Road” strategy is primarily on infrastructure, trade and economic cooperation.

Some parallels are drawn also between the Silk Road Economic Belt and the Marshall Plan after the World War II when the United States provided political, economic and military support to the Western European states making them dependent on the US military power. According to Sh. Tiezzi “in both situations, a rising global power wants to use its economic strengths to secure foreign policy goals, including the basic goal of sustaining its own domestic economy”.

However, differences between the Marshall Plan and the Silk Road Economic Belt are much more than similarities. The differences are along the following lines: post-war/globalized world; containment/engagement of third countries; political conditionality/diversity of social systems and development strategies; alliances/partnership relations, among others. Therefore, any interpretations of the new Silk Road concept based on the Western cultural and historic background could not be valid and could distort the analysis.

**China’s Eurasian Activity and Russia’s Plans for Eurasia**

It is rather Russia that pivoted to Eurasia in the last couple of years. T. Bordachev from the Council for Foreign and Defence Policy points out: “For the first time in 300 years, the Old World has ceased to be Russia’s only pole of attraction or source of values.”

Russia has demonstrated an increased focus on Eurasia. Domestically, the major aim of Russia is to become a strong, modern state. In the last years the issue of national development was closely related to the development of the eastern parts of the country. In December 2013 Putin declared that the development of Siberia and the Far East was a national priority for the 21st century. This development is not possible without deepened economic relations with the East Asian countries and with China, in particular. Internationally, Russia tries to guarantee and enlarge its sphere of influence in Eurasia as well as to defend its position and equality among the other centres of power.

There is a kind of a paradox in the US (West) – Russia – China triangle. The Western major concern is a potential Russian - Chinese strategic alliance in the Eurasian space that would be detrimental to ability of the Western powers to advance their interests in the heartland of Eurasia. At the same time, the policy actions of the Western countries in the last couple of years push the two powers together.

The Russian and Chinese interests in the Eurasian region do not entirely coincide. There are worries and suspicion but the processes within the international system and the US policy, in particular, bring the two powers closer together. The relations of both China and Russia with the United States are experiencing increasing strains. The United States imposed sanctions on Russia, while developing a policy of containment towards China. Against this strategic deficit of trust, in 2014 Sino-Russian relations were at the best level they have ever been. China and Russia do share common goals related to guaranteeing their sovereignty, narrowing the US sphere of influence in Eurasia, challenging the existing Western-dominated world order.

The two countries maintain a very intensive diplomatic dialogue. They agreed on two strategically important gas projects with strong geopolitical dimensions (the Power of Siberia and Altai pipelines). As a result of these projects, if implemented, China will be able to replace Germany as Russia’s biggest gas market. Dmitri Trenin, director of the Carnegie Moscow Center, compares the deals’ importance with the accord concluded in the 1960s that brought Russian gas to West Germany for the first time. Whether important for Russia is that it has the prospect of decreasing its dependence on the European gas markets. What is important for China is that it gains access to Russia’s natural resources reducing its energy dependence on the Middle East and the risks of the maritime routes. China has already achieved a direct participation in energy projects in Siberia and the Arctic.

The countries keep on expanding their military cooperation, as well. In November 2014 the Minister of Defence of the Russia federation S. Shoigu announced that Russia and China plan to hold naval exercises in the Mediterranean Sea and the Asian Pacific which is a serious geopolitical challenge to the US naval dominance in these regions.
Still, there is an overlapping of integration projects in Central Eurasia - part of them are related to Russia’s integrationist plans (CIS, Eurasian Economic Union); others are supported by China (SCO, CICA, Silk Road Economic belt). The question is whether a *modus vivendi* between the existing Russian and Chinese initiatives in Eurasia is possible.

In his speech in Kazakhstan, announcing the Silk Road Economic Belt initiative, Xi Jinping has particularly pointed out that “by strengthening the cooperation between the Shanghai Cooperation Organization and the Eurasian Economic Community, we can gain a greater space for development”. The mentioning of the SCO is quite reasonable. The experience of the Shanghai Cooperation Organization could give some clues on the future interaction between China and Russia on the occasion of the Silk Road project.

The organization that covers three-fifths of the Eurasian continent and one-fifth of the world population unites three major Eurasian powers – Russia, China and Kazakhstan. With its strategic location, vast areas and enormous natural resources it is a serious challenge to the US position and interests in the broader region. But what is even more important is that the structure provides a platform for cooperation, problem-solving and dialogue between the three powers.

Some 10 years after the SCO establishment China once again calls for engagement and cooperation with Russia for the success of the new Silk Road plan. In February 2014 the presidents of China and Russia Xi Jinping and Vladimir Putin reached a consensus about the construction of the "Belt and Road", as well as its connection with Russia's Trans-Eurasia railway. In March 2015 the Minister of Foreign Affairs of China Wang Yi declared that the two countries would sign an agreement to work on the Silk Road Economic Belt and begin relevant cooperation. As Zhao Huasheng, director of the Center for Russia and Central Asia Studies at Fudan University, concludes, there are no reasons for China “to put forward a project against Russia at the expense of harming bilateral relations, which are highly valued in China.”

Russia’s policy towards the initiative will depend on its relations with the EU and the prospects for its own integrationist projects in Eurasia. For example, a re-focusing of the Eurasian Economic Union project could be expected as a result of the developments in Ukraine. Dm. Trenin admits an interesting scenario: “Rather than being an element in Putin’s original idea of a Greater Europe from Lisbon to Vladivostok, the Eurasian union may become an add-on to, or even an extension of, China’s Silk Road project. If so, “Eurasia” would morph into something that some Russians, a hundred years ago, facetiously called *Asiopa*, making Russia an extension of Asia.”

III. CONCLUSION

In 2012 Zb. Brzeziński wrote: “Both the most immediate foreign policy threat to America’s global status and the longer-range challenge to global geopolitical stability arise on the Eurasian continent. The immediate threat is currently located in the region east of Egypt’s Suez Canal, west of China’s Xinjiang Province, south of Russia’s post-Soviet frontiers in the Caucasus and with the new central Asian states”. In 2013 the Chinese President Xi Jinping launched the Silk Road Economic belt whose route partially overlaps with the space sketched by Brzeziński.

China’s rise as a global power will further influence the international relations and the global geopolitical landscape. Chinese policy, however, should not be evaluated through the prism of the Western traditional values and perception of world politics as it has its own logic and underlying motivation. China would rather seek gradual change of the international system than try to overthrow it. It would most probably try to change the ‘rule of the game’ in the system but it will do it the Chinese way.

The Chinese foreign minister explains that the country is focused on “building a new type of international relations featuring win-win cooperation, we are taking a new path of external relations characterized by partnership rather than alliance”. China will not pursue formation of new alliances or democratization. It would rather focus on further economic interactions, new transborder communication corridors, promoting the infrastructure connection between China and Europe.

It does not mean, however, that China will not be determined enough to pursue the advancement of its interests in geopolitically and geoeconomically important zones as it has already been demonstrated in the maritime disputes in the East and South China Seas. Hence, China’s evolving penetration in the heart of Eurasia and further accumulation of geopolitical power could deliver a significant blow to the Western-centered international order. The Silk Road Economic Belt could be one of China’s instruments for gradually upgrading the existing world order in conformity with the Chinese understanding of international relations.

Geopolitically, the greatest loser of the success of the initiative would be the United States. The center of gravity of global politics has already moved to Asia. In order to retain its global power and global influence the United States has to increase their presence and control in different parts of Asia. Any integration within the huge space of Eurasia, however, would significantly hinder the realization of this objective. It would allow land powers to withstand the attempts of the sea powers led by the United States to establish control on them. Any consolidation of Eurasian power would challenge Western rules, Western order and the US world dominance.

Recent developments in the Middle East and Ukraine, the new geopolitical situation in the Black sea region makes it difficult to predict the chances of success of the Silk Road Economic Belt concept. Its future will depend on: 1) the developments in China and its ability to...
financially secure the initiative; 2) the relations between China and Russia and the extent to which they would succeed in balancing their interests and reconcile the differences between them; 3) the US assertiveness in securing its presence and interests in Eurasia; 4) spread of Islamic fundamentalism and future activities of the Islamic state that has already threatened to occupy parts of Xinjiang and incorporate them in ISIS’s caliphate, etc. Certainly, the launch of the initiative itself has already provoked turbulence in the geopolitical equation in the region and beyond. The outcome is pending.

REFERENCES


3 The 21st Century maritime Silk Road Initiative is proposed also by China in 2013.

4 China – Pakistan Economic Corridor is a Chinese initiative aimed at building infrastructure, enhancing transportation and trade and increasing cooperation in the energy field between China and Pakistan.

5 The Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM) is a sub-regional organisation of the four countries aimed at greater integration of trade and investment.


8 The founding members that have already signed the Memorandum of Understanding on establishing the AIIB are: Bangladesh, Brunei, Cambodia, China, India, Kazakhstan, Kuwait, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, New Zealand, Oman, Pakistan, the Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, Tajikistan, Thailand, Uzbekistan and Vietnam. The aim of AIIB is to finance infrastructure in the region and promote regional interconnections.


13 The concept of harmony (Hexie) is the core value of Chinese traditional culture as far as Chinese foreign policy and diplomacy are concerned. It describes not an ideal world of a completely harmonious society that does not exist. It stresses the pursuit of coexistence while respecting differences. A more precise English translation of Hexie would be “appropriate”—meaning that conflicts should be resolved through the appropriate channels according to the laws, truths, and principles to ensure that balance is maintained.


30 Ministry of Foreign Affairs of the People’s Republic of China (2013). President Xi Jinping Delivers Important Speech and Proposes to Build a Silk Road Economic Belt with


