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## **Der Lange Marsch 2.0**

### **Chinas Neue Seidenstraßen als Entwicklungsmodell**

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#### **Chapter 1: Introduction**

*"The Belt connects the land  
The road moves on the sea  
The promise that they hold  
Is joint prosperity  
We're breaking barriers  
We're making history  
The world we're dreaming of  
Starts with you and me."*

*"When trade routes open up  
That's when the sharing starts  
Resources changing hands  
And shipping auto parts  
Ideas start to flow  
And friendship starts to form  
Then things impossible  
All become the norm."*

Singing children from different countries, mostly fair-skinned and blonde, "express their gratitude" in a YouTube video<sup>1</sup>, against the painted backdrop of high-speed trains and container ships, skylines and camels in colourful landscape. The refrain "The future is coming" brings the advertising message of the new Silk Roads to the point: the development of trade routes creates prosperity and friendship - or: another world is possible, with Chinese characteristics.

What is staged here as a children's play is not a specifically Chinese strategy, but mainstream economic policy thinking, which considers large infrastructure projects as a major impetus for economic growth and prosperity. Under the heading "Connectivity", the development of transport links serves to expand transnational trade, the efficiency of value chains and increased investment. The transport connections form the economic muscle strands along which special economic zones and development corridors are created. Pioneers of this strategy were the *World Bank* and the *Asian Development Bank* (ADB), the *World Economic Forum Davos* and the G20, the group of the most important industrial and emerging countries. However, the idea has been perfected since the end of 2013 by China's Belt&Road Initiative<sup>2</sup>, more vividly and attractively referred to as "New Silk Roads". The success seems to be guaranteed by China's own upswing to a global economic power, in which, according to the motto, "If you want to get rich, build a road first", the expansion of the infrastructure played an essential role.

### *Chongqing - Duisburg*

According to the founding myth, however, it were initially other players who cleared the way. Ronald Kleijwegt, Global Logistics Director of the technology giant HP, claims fatherhood: " This has been my baby, more or less, organizing this trans-Eurasia rail".<sup>3</sup> The first test train already started in 2008 in Shenzhen, the Special Economic Zone near Hong Kong. The route initially ran through Mongolia, later the logisticians joined directly into the route of the Trans-Siberian Railway further east.

However, for production sites in central China such as emerging Chongqing, which benefited from relocating factories from the coastal regions to the interior, this route was unfavourable. Kleijwegt therefore searched for direct routes through Kazakhstan, Ukraine, Slovakia and the Czech Republic or through Russia, Belarus and Poland. On the way many difficulties and obstacles had to be overcome. A breakthrough was the formation of the Customs Union between Kazakhstan, Russia and Belarus in 2010, which was expanded and upgraded to the *Eurasian Economic Union* (EAEU) five years later. This reduced bureaucracy, controls and thus the time required. In 2012, HP sent the first regular train on the route between Chongqing and Duisburg.

Since then, many Chinese cities have built their own connections to Europe on the "Eurasian land bridge", with twin cities such as Warsaw, Lyon, Hamburg, Madrid, London and Tilburg. On average, the two-week journey is twice as fast as sea travel, with hefty subsidies helping to cut costs. "Shipping overland by rail has become nearly as easy as sending a package via your local postal carrier," writes journalist Wade Shepard, who closely monitors the developments. At the beginning, the trains often returned empty – an economically and ecologically highly unsatisfactory utilization. Meanwhile, they bring, among other things, wine and champagne, cosmetics and jewelry to the newly rising Middle Kingdom.

### *„Belt“ and „Road“*

In addition to the "Eurasian land bridge", whose backbone are the trains from central China to Europe, there are more planned transport links and economic corridors like the spokes of a wheel: through Pakistan to the Persian Gulf, through Myanmar and Bangladesh to India and the Indian Ocean, through Southeast Asia to Singapore, through Mongolia to Siberia. While China's own export-oriented economic development first took place in the south-eastern coastal regions around Shanghai, Shenzhen and Guangzhou, as well as around Beijing and the port city of Tianjin, the inland provinces are now also seeking their own access routes to the sea. Twenty years ago, with its "Go West" policy, the Beijing government began developing, inter alia, Xinjiang in the west, Yunnan and Guangxi in the southwest, and Heilongjiang in the east through transport links, subsidies, and relocation of industries to reduce regional economic and social disparities. Now with the new routes they get

access beyond the borders to sales markets and raw material suppliers in Central Asia, the Middle East, Europe or Southeast Asia.

Thus, these provinces in the northwest, southwest and northeast act with their own investment projects on both sides of the border as bridgeheads for China's new offensive neighbourhood policy with the countries in the region, to re-emerge as a fully accepted global power (Godehardt 2014: 25). This expansion follows the pattern: The day before yesterday it was Shenzhen, yesterday Xinjiang, today it is Central Asia, the Indian Ocean and Southeast Asia - and tomorrow?

At the same time and parallel to the land routes, the so called "Belt", virtually all countries in East Asia, Southeast Asia, the Indian Ocean and East Africa are in the process of modernizing, planning or constructing ports, mostly with the help of Chinese funds and companies. The international sea routes through the Chinese Sea, the Strait of Malacca and the Indian Ocean to Europe, which Beijing has declared the "Maritime Silk Road of the 21st Century", the "Road", are still the most important and intensively used transport corridors. The ports act as logistical hubs to service ships, transport goods to the hinterland and, conversely, thread products into global trade.

Attempts to revive the idea of the historic Silk Roads have been around for several decades. And the US almost occupied the concept: in 2011 US Secretary of State Hillary Clinton announced a new Silk Road connecting Afghanistan with its neighbours to help rebuild the country. But it stayed with the idea. Now it's up to China.

### *The path is created while walking*

The response to the B&R initiative was tremendous. At the first Summit in May 2017, the *Belt&Road Forum on International Cooperation* in Beijing more than 60 official delegations with nearly 30 heads of state participated, among them Vladimir Putin, Recep Tayyip Erdogan, the Philippine President Rodrigo Duterte, Alexis Tsipras and Victor Orban. Besides the curiosity about the specific contours and implications of that bold ideas announced by Beijing, and the fear of missing the train, the generous financial funds offered attracted the crowds: The equivalent of up to one trillion US dollars for the implementation of B&R projects. With the *Asian Infrastructure Investment Bank* (AIIB), the *Silk Road Fund* and the *New Development Bank* of the BRICS countries, alternatives to Western-dominated international financial institutions such as the *World Bank* and the *International Monetary Fund* (IMF) were created.

Five years after its launch by state and party leader Xi Jinping in the fall of 2013, however, the endeavour still gives the impression of a huge construction site: a maze of railway lines, container ports, terminals, economic zones, new border stations, pipelines and highways, much of which exists only on paper. Highly symbolic was the huge model of a bridge that was set up at the summit meeting: Gold-clad and illuminated, it proclaimed a

bright connection into the future – but the driveways were still missing. B&R is a collective name for a conglomerate of existing, planned or even just envisioned projects for which the Chinese government is still seeking partners. The various maps that circulate are therefore rather sketchy. So far, at best, the Chinese architects know the whole blueprint. Like in the Asian board game Go, they occupy strategic points that can be expanded into fortresses or by which the opponents are encircled or distracted so that they can not develop their own strategies.

Even the official explanations and documents are often cloudy. They are limited to a few short „Vision papers“ and „Action plans“. The more intense is the official advertising drum at conferences, government meetings, and in the state media and official mouthpieces. Too, the debates in scientific circles, at conferences, in media, economic forums and political discussions are almost unmanageable. Since the tangible contours, intentions and goals are so fuzzy and reliable numbers and information missing, polished or contradictory, everyone can paint their own image. In the process, essentially three major explanatory approaches emerge.

### *Geo-economics and geopolitics in the New Age of Globalisation*

The official version by the Chinese government, which builds on an ideal vision of the historic Silk Roads and is also adopted by numerous governments and observers, sets its own development paradigm different from the Western development discourse. The declared goals are prosperity, economic growth and stability through connectivity and proactive government support. Connectivity does not only encompass material infrastructure and trade, but also political cooperation, financial systems and "people-to-people contacts". In response to the "weak recovery of the global economy, and complex international and regional situations" following the crises of the past decade (Vision and Actions document, 2015), China will make more public goods such as infrastructure available to the international community, Xi Jinping announced. The "new Golden Age of Globalization" will be different from the previous neoliberal globalization. Linked to this narrative is an increasingly nationalist connotation, the reparation of the humiliation of China by the colonial powers and the restoration of its former importance, when the Chinese Empire saw itself as the centre of the world.

This official narrative "gives a romantic picture of China's changing position in the world," says Xin Zhang of East China Normal University in Shanghai (2016). The spirit and legacy of the historic Silk Roads are emphasized - connectedness, cooperation on many levels, a community of shared interests, responsibility and destiny, combined with the hope that modern connectivity and trade routes can replace traditional power competition. A common development would benefit everyone involved in an open and inclusive way. To counter this basket of goodies, Western observers in particular are happy to point out that the paradigm is blighted: Based on the principle of non-intervention in internal affairs, references to goals such as democracy, human and minority rights, institutional, legal and political reforms are lacking.

A second explanatory approach focuses on the economic self-interests of China. Accelerated by the financial crisis of 2007/2008, the Silk Road Initiative is an attempt to solve its own structural growth crisis, which manifests itself in overcapacities and falling growth rates, through further economic expansion and modernization. For Xin Zhang (2017), B&R is the inevitable expansion of "state capitalism", driven by constraints to economic recovery and accumulation and fuelled by the pursuit of expansion of China's economic hegemony in the world.

The third narrative focuses on geopolitical intentions. These are plausible as a response to a possible containment of China by the US and its allies („Pivot to Asia“) and the concern for the security of its international supply routes, but are always denied in the official narrative.<sup>4</sup> The spectrum of possible geopolitical effects ranges from the emergence of vassal states and a new colonialism to the erosion of the Western-dominated world order and China's rise to the all-dominant hegemonic power. These expectations of shifts in the multipolar power structure link different conflict scenarios, including a growing danger of military confrontation.

### *Construction sites on the Silk Roads*

The stone, which Xi Jinping threw into the water five years ago, has been drawing ever larger circles since then. In the broad and multi-layered discussion, a multitude of topics and areas of concern opened up by the initiative are now emerging. They go far beyond the usual notion that B&R would focus just on infrastructure, sales markets and trade.

Chapter 2 addresses the crucial question of internal motivations and drivers shaping the initiative. Many contributions to the debate point to the need for the State to address the limitations of the Chinese development model and its structural problems. But also domestic political considerations such as the rule and legitimacy of Communist Party and the State and the desire to make up for the humiliation of the colonial powers in the 19th Century play a central role. In contrast to the "Great Leap Forward" more than half a century ago, when Mao Zedong in a tremendous effort attempted to force the transformation of a peasant society into an industrialized society cutting short the transition to communism, which catastrophically failed, the B&R initiative now rather resembles a "first big step" on a „long march“, a planned and integrated expansion of "socialism with Chinese characteristics". It is thus different in its strategy from Mao Zedong, but not in its goals: National sovereignty, territorial integrity, and the building of a strong and prosperous nation that has its rightful place as a major power on the international Olympus (Rolland 2017: 123).

Of course, a core element of the new Silk Roads is infrastructure development (Chapter 3). On the one hand, this is about providing other governments and countries with a lot of money to reduce the infrastructure deficit and improve connectivity as a prerequisite for investment, growth and prosperity. The construction of mega-corridors creates new spaces of globalization and economic geographies that can lead to an "infrastructure empire" by

controlling important supply routes. But experience also shows that large infrastructure projects involve numerous social and ecological risks, which are also systemic in B&R. Illustrated by the maritime Silk Road (Chapter 7) it also could increase the risks of political conflicts with China's military presence in areas such as the Indian Ocean widening.

Unlike at home, for the success of B&R the Chinese government relies on the benevolent cooperation with other countries and regional powers. Crucial, therefore, will be how Russia, which pursues hegemonic claims in Eastern Europe and Central Asia (Chapter 4), India, which sees itself as a supremacy in the Indian Ocean and South Asia (Chapter 8), and Europe (Chapter 10) react to the Chinese initiative. Are they competitors, even opponents or partners? A special situation exists in Southeast Asia (Chapter 6), where China already dominates economically, pursues territorial claims in the South China Sea and is therefore also on a conflict course with other riparian states.

In addition to the endeavour to open up new markets and investment locations for Chinese industry through the new Silk Roads, the supply of raw materials plays a key role (Chapter 5) - and thus the question whether B&R acts as a further engine for the fossil growth model instead of initiating the entry into an energy transition or even an "ecological civilization", as the initiators like to proclaim.

Rather on the edge of the Silk Roads lies Africa, which as a supplier of oil and other commodities and a customer for infrastructure projects and low-cost consumer goods has helped to promote China's rise. An independent development, however, was not achieved. With Xi Jinping taking office, a new definition of China's strategy in Africa is now emerging, with first impacts especially in East Africa (Chapter 9).

The expansion of China's economic power by B&R is associated with a growing political influence on governments and increased competition with other hegemonic powers. A more self-confident, more active foreign policy goes hand in hand with a military modernisation programme. This has far-reaching implications for the constellations of a multipolar world order. Some observers even warn that China is seeking global hegemony, even a new Empire, while Beijing itself offers balanced "great-power relations of a new type" (Chapter 11).

After five years, the contours of B&R become clearer. Concrete effects become more visible. The analyses and positions, which at first were rather speculative and wait-and-see, are becoming increasingly based on more reliable information and more pronounced. However, any attempt to grasp the scale and impact of the initiative still gives only a preliminary picture.

*Bonn, Germany, May 2018*

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Wade Shepard:

<https://www.forbes.com/sites/wadeshepard/#26c451ae3f6e>

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<sup>1</sup> [https://www.youtube.com/watch?v=H6Adz\\_arAYE](https://www.youtube.com/watch?v=H6Adz_arAYE). Accessed on November 11, 2017. The production company *Fuxing Road Studios* in Beijing is considered to be very close to the government:

[https://en.wikipedia.org/wiki/Studio\\_on\\_Fuxing\\_Road](https://en.wikipedia.org/wiki/Studio_on_Fuxing_Road)

<sup>2</sup> BRI. Initially, an official name was also "One Belt, One Road" (OBOR). In this text I am using mostly the abbreviation B&R.

<sup>3</sup> cited by Wade Shephard, How Those China-Europe 'Silk Road' Trains First Began, June 29, 2016

<sup>4</sup> At a press conference in March 2015 for example, Foreign Minister Wang Yi said, B&R „is a product of inclusive cooperation, not a tool of geopolitics, and must not be viewed with the outdated Cold War mentality.“