China’s New Silk Road

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Published: February 12, 2015

The “China dream” of the “great rejuvenation of the nation” has been the hallmark of Xi Jinping’s presidency since he became party chief in late 2012. President Xi’s main idea is to restore China’s pre-nineteenth century grandeur and influence in order to make it a “prosperous, strong, culturally advanced and harmonious country.” The proposed revival of a great trade route that two thousand years ago bridged Eastern and Western cultures across the Eurasian continent might well help realize that objective.

The idea of a new “Silk Road economic belt,” launched by President Xi during his tour of the Central Asian republics in October 2013, will mainly take shape along railway lines connecting several cities in western China to Europe via Central Asia, Iran, Turkey, the Balkans, and the Caucasus across the 11,000-kilometer-long Eurasian continent. The Chinese authorities see this transportation infrastructure as a first step toward the creation of a Eurasian “economic corridor,” allowing for the development of the landlocked Central Asian economies and their future integration with both European and Asian markets. They hope that trade liberalization and strengthened monetary cooperation among the economies connected by the railroad network will lead ultimately to a new form of regional economic community and—in the words of President Xi—give rise to “a sense of common destiny” among China’s neighbors. The new Silk Road will also branch out across Southeast Asia and have a maritime component extending across the Indian Ocean to the Persian Gulf and the Mediterranean.

In all, the Chinese vision of a Silk Road economic belt (also dubbed “one belt, one road” by Chinese writers) encompasses a population of 4.4 billion people with a collective GDP of $21 trillion (one-third of the world’s wealth) and links emerging markets with strong growth potential. China already has close connections with the countries along this route thanks to existing trade and economic cooperation, but it hopes to strengthen transportation infrastructure and create new regional hubs and clusters of massive industrial parks. The infrastructure network envisioned by China will eventually link that country with three continents, with railroads, pipelines, and roadways reviving trade over land as well as along shipping routes. If this vision can be fulfilled, then eventually all roads will quite literally lead to Beijing.

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To the 21st-century global citizen, transcontinental railroad construction might seem passé, remote from the cyber age and reminiscent instead of the trans-Siberian or trans-American railway projects of the mid-19th century. And yet the rapid expansion of railroads remains an important impetus for change. The railroad lines built across American territory during the Gilded Age transformed a rural country into a powerful industrial nation. Trains and railways converted a patchwork of disparate wild territories into a unified country. As transportation costs dropped, new manufactured products flooded into remote areas, opportunities for exploitation of natural resources were created, numerous technical innovations were born, and modern management methods developed. It is possible that a similar development pattern could occur in China’s backyard as the new Silk Road economic belt is brought to completion. As was true 150 years ago, greater transcontinental interconnectivity via rail could boost trade, stimulate technological development, and transform the strategic landscape.

For China, the proposed new Silk Road is, among other goals, a tool for promoting national economic development by boosting exports, enhancing access to natural resources, and providing support to important domestic industries. The Chinese government has recently reportedly committed to devote as much as $1 trillion to infrastructure investments, including in the central and western provinces, which are bound to become the gateway to the Silk Road.1 Furthermore, Premier Li Keqiang embarked on an international “railway diplomacy tour” throughout 2014 and, as recently as in December 2014, announced the creation of a $3 billion investment fund for Central and Eastern European countries meant to further enhance cooperation, which includes plans to construct “a new corridor of interconnectivity.”2 Contracts and subsidies for China’s national railcar manufacturer will strengthen its position in relation to foreign competitors and give it an advantage in overseas markets. Beijing will provide financial aid to countries crossed by its railroads and develop their transport and communications infrastructures, in many cases taking repayment in the form of local resources.

Domestic security considerations also provide an impetus for building a regional transportation infrastructure. In 2000, then secretary general Hu Jintao decided that the Xinjiang Uyghur Autonomous Region—a region regularly rocked by ethnic violence and affected by the religious radicalization of part of its population—had to be more closely tied to the rest of the country. This decision was followed by the launch of an extensive program to build rail and road infrastructure connecting the remote and impoverished region with the more dynamic regions of eastern China. Beijing firmly believes that the political and ethnic tensions in Xinjiang can be attenuated by economic development and for this reason has been investing massively in the local economy and infrastructure. Fifteen years on, a similar logic is now being applied to China’s “near abroad.” Beijing aims to build railways that will connect the Xinjiang region to its Kazakh and Kyrgyz neighbors, and then westward to the Middle East and Europe, in the hope that economic development brought by building infrastructure will enhance the political stability in these areas.

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China’s “infrastructure diplomacy” also reflects a diplomatic imperative to strengthen relations along the country’s continental periphery at a time when territorial disputes have strained relations with maritime neighbors. Developing good relations with neighbors is again at the heart of China’s diplomacy since President Xi made it a priority at a conference in October 2013. Given the deterioration of relations on its eastern maritime flank, China now wants to build relations of cooperation and stability on its western land flank. The U.S. footprint there is not as strong as in maritime East Asia, where Washington is pursuing a policy of “rebalancing” that relies heavily on its traditional allies (mostly maritime powers, such as Japan, South Korea, the Philippines, Thailand, and Australia) while seeking to develop new partnerships with Southeast Asian countries such as Vietnam and Myanmar. As the United States reduces its presence in Afghanistan, China is contemplating economic involvement equivalent to what it has achieved in Central Asia for more than a decade, including the construction and upgrading of pipelines and mineral extraction infrastructure, transport facilities, and communications. Beijing hopes to keep its backyard as stable as possible and to continue to rely on the stability of Central Asian secular autocracies, rich in oil and gas, to secure part of China’s energy supplies and prevent the radicalization of its own Muslim population. As it focuses more clearly on Central Asia, China is bound to encounter Russia’s presence and influence. But instead of creating friction, the proposed new Silk Road is intended to create more cooperation between Beijing and Moscow, even more so as relations between Russia and Europe have grown increasingly strained, leaving President Vladimir Putin without many options for support and partners.

The proposed Silk Road economic belt aims to integrate China’s neighbors more closely with the Chinese economy, enmeshing them in a network of trade ties, transportation links, and multilateral regional institutions that will have China at their center, enhancing Beijing’s influence over the weaker, poorer nations that surround it. The Asian Infrastructure Investment Bank launched last October in Beijing is one such mechanism and will assist in funding some of the projects that will be a part of the new Silk Road.

Finally, the infrastructure diplomacy initiated by Beijing also has a critical strategic motivation. For over a decade, Chinese authorities have sought to circumvent the “Malacca dilemma” by finding ways to lessen reliance on the Southeast Asian strait through which 80% of China’s energy supplies from the Middle East and West Africa now pass. The planned infrastructure, including pipelines and roads as well as railway lines, will improve China’s ability to transport crucial energy resources from suppliers in Central Asia and the Middle East. The fear of a maritime blockade imposed by the United States in the event of a conflict in East Asia (one option proposed by critics of the air-sea battle concept) has led Chinese thinkers to look for ways to bypass sea lanes subject to U.S. naval dominance. In this sense, the new Silk Road vision offers a sort of homecoming for China, which has historically given priority to its landmass at the expense of maritime expansion.

The new Silk Road advocated by Beijing is more than just a rail network expanding its grid across the Eurasian continent but instead opens an array of new economic and strategic possibilities. Chinese authorities hope that it will lead eventually to a situation in which Europe becomes a mere peninsula at the end of the Asian continent, economically integrated with and dependent on the Chinese locomotive, while the United States is relegated to the position of a distant...
island, floating between the Atlantic and the Pacific. The birth of a transcontinental economic corridor, as envisioned by the Chinese authorities, could change the global landscape, shifting the focus of strategy and commerce to the Eurasian landmass from the waters surrounding it and reducing the significance of U.S. naval supremacy. This corridor could further intensify intra-European divergences over Asia policy, cause deep differences between the United States and its European allies, and sharpen commercial rivalries. If Europe turns increasingly to Asia instead of looking across the Atlantic, and if China succeeds in linking itself more closely to Russia, Central Asia, Eastern Europe, and the Middle East, then U.S. policymakers may be compelled to radically alter their traditional approaches to these regions and indeed the entire world.  

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