The Silk Road Economic Belt: How does it interact with Eurasian security dynamics?

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China has long posited that common security can be propelled and buttressed through economic development and cooperation. Infrastructure, in turn, is one of the essential foundations of economic development and cooperation – no economically prosperous state has been able to progress without it. As the Chinese put it ‘要想富，先修路’ (‘if you want to be rich, first build a road’).

Large parts of Asia have a critical lack of basic infrastructure such as roads, rail tracks, bridges, airports and power grids, which current national and multilateral developmental institutions are unable to address. This infrastructure deficit is an estimated $4 trillion (pdf) for the period 2017-20 alone. China intends to reduce this deficit in Asia, and in parts of Europe, through the Silk Road Economic Belt (the 'Belt') component of its Belt and Road Initiative (BRI).

The Belt has, therefore, quite deservedly been received with enthusiasm among many states of the Eurasian continent since its proposal in 2013. It is an ambitious multi-decade vision to physically, digitally and culturally connect Eurasia, pursue closer Eurasian economic cooperation and mitigate poverty. This grand vision has become a pillar of the President Xi Jinping administration’s foreign policy.

Opportunities and challenges

Foreign policy is always an extension of domestic interests and the Belt intends to serve a wide range of Chinese interests. These include enhancing China’s economic security by increasing its global economic and financial clout, and mitigating current and possible future security threats emanating from its neighbours by promoting their economic growth and subsequent closer economic ties with China. Simultaneously, the Belt is a useful platform to channel China’s surplus production capacity and surplus capital outwards.

As the Belt is a major public goods provider, it could indeed become one of the cornerstones of Asian economic growth and integration. Concurrently, it could lead to closer political and even security cooperation between China and the participating states and among the participating states themselves. Yet, the pathway towards this future is still fraught with obstacles. These include political and popular suspicion of China’s intentions behind the Belt, geopolitical competition, Chinese financial overextension, and lack of local governmental interest and capacity to tap Belt projects for the benefit of the broader population.

Tied to this latter obstacle is the question of to what extent the Belt actually fits into the
on-the-ground political and socio-economic realities of participating states. Improved infrastructure can certainly serve as a catalyst for employment and economic activity, but tapping its developmental potential also requires local states’ investment in human and institutional capital, augmented by smart economic policies.

The Belt is an innately political process: many participating states have low levels of political accountability and high levels of corruption, and Chinese investments do not come with corresponding governance reforms to transform these systems. In addition, there may be physical security threats to implementation of the Belt in the form of general political violence or even more targeted attacks against Chinese projects. The Belt will inevitably be impacted by but also interact mutually with these dynamics.

Interaction with security dynamics in Central and South Asia

The Belt fits well into China’s own security concepts, which stress common security through economic cooperation. The Belt will certainly expand China’s overseas interests and will require China to take a robust position on regional security affairs, not least to protect its investments. Thus, China’s non-interference stance, which has already been evolving over the past few years, will likely become much more ‘creative’ as a result of the Belt.

Indeed, China’s evolving stance can already be witnessed in Central and South Asia, where notable examples include the Quadrilateral Cooperation and Coordination Mechanism to combat terrorism established between the armed forces of China, Pakistan, Afghanistan and Tajikistan in August 2016; the stepping-up by China of military cooperation and security assistance to states participating in the Belt; and the ‘outsourcing’ of military protection of the China-Pakistan Economic Corridor (CPEC) – the main Belt corridor in South Asia – to Pakistan.

More broadly, the Belt will interact with Central and South Asian security dynamics in a mutually constitutive way. In Central Asia, it is perceived by the landlocked Central Asian regimes as a means of boosting economic growth, which will have positive spillover effects on security. At the regional level, the financial prospects the Belt offers could also serve to stimulate greater regional cooperation on the range of issues these states face.

However, in South Asia, where the Belt currently only really runs through Pakistan, it has raised regional political temperatures. India has objected to CPEC in the strongest terms (pdf), in part because it traverses territory that is disputed between India and Pakistan. CPEC has exacerbated the pre-existing India-Pakistan rivalry, as well as China-Pakistan competition with India over regional influence and security.

India is concerned about the long-term geopolitical implications of CPEC, particularly that China will gain more regional influence at the expense of India. India fears that investment protection and protection of future transit through Pakistan will increase China’s security role in South Asia, and has concerns about a possible naval base in the port city of Gwadar in Pakistan, one of the BRI’s key strategic investments.

Afghanistan, in contrast to India, welcomes the Belt, but the country’s instability and difficult ties with Pakistan will deter it from becoming an established Belt participating state – at least for the foreseeable future.

A stabilizing or destabilizing influence?
In both Central and South Asia greater economic growth brought by Chinese investment could provide the conditions for increased development and stability. A case in point is that the majority of current CPEC projects focus on improving Pakistan’s electricity grid, important for a country that is plagued by structural power cuts. China hopes that CPEC might instil a ‘change of mindset’ in Pakistan: one that is increasingly oriented towards utilitarian economic development.

However, there are also concerns that Chinese capital could exacerbate some of the structural governance problems in Central Asia and Pakistan, particularly those pertaining to corruption and lack of accountability. In this regard, it could also further entrench a political elite that have proven inept at providing human security and welfare.

It is yet to be seen how these dynamics unfold but it is certain that investment alone will not be sufficient to bring about transformative development to Central Asia or Pakistan. Inclusive and long-term sustainable growth will require institutional reform to address patrimonial practices and state corruption. Central Asian governments and Pakistan will need to prioritize good governance and long-term, inclusive economic growth in addition to short-term economic gains.

Much of the asserted positive spillovers of the Belt therefore still strongly depend on the practical implementation of the Belt, the distribution of the spoils, and how human security in addition to regime- and state-centric security is emphasized and addressed.

This said, it is important to note that most local sources of insecurity in Central and South Asia exist with or without the presence of the Belt. They are not easily resolved of their own accord, and the Belt does at least address a vast Eurasian deficit in infrastructure and economic integration that has few or no large-scale financial alternatives.

The Belt is, at the very least, an opportunity to begin to think about and address these common challenges in pursuit of sustainable development.

This topical backgrounder is based on the report ‘The Silk Road Economic Belt: Considering Security Implications and EU-China Cooperation Prospects’ published by SIPRI and Friedrich-Ebert-Stiftung (FES). The report concludes a year-long project that analysed Chinese, Russian and English sources and interviewed 156 experts, including academics, journalists, policy advisors and policymakers in 7 countries throughout Eurasia.

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