China’s New Economic Silk Road: The Great Eurasian Game & The String of Pearls

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About This Book

Re-Defining Asia
An issue when composing a book such as this, covering such a large geographical area, is the definition of what Asia actually is. This becomes especially pertinent when dealing with Asian sub-categories like “Eurasia” and “Central Asia”. What do these really mean? Indeed, what is “Russia”?

Asia is defined by Miriam-Webster as “A continent of the eastern hemisphere north of the equator forming a single landmass with Europe” and further revealed to possess “numerous large offshore islands including Cyprus, Sri Lanka, Malay Archipelago, Taiwan, the Japanese chain, & Sakhalin area”.

Which taken literally would mean that the southern islands of the Maldives, being south of the equator, are not part of Asia. Neither are Indonesia and Singapore. Meanwhile, Australia, a continent in its own right and almost exclusively “south of the equator”, has also declared itself part of Asia. Existing definitions, which we have grown used to, are therefore in need of some adjustment.

Central Asia is equally tricky. Most people would identify it as a collection of Muslim states, lying directly south of Russia, and previously part of the Soviet bloc. However, this doesn’t really work. Mongolia is for example Buddhist, as many of the currently Muslim territories once were, while its capital, Ulaan Baatar, is as close to Anchorage in the United States as it is to Moscow.

Even Eurasia can be difficult. The majority of people would imagine this area to extend roughly to the boundaries of the further reaches of the Mongolian Empire at its height – including all of
China, and as far west to Hungary in Eastern Europe. “The Steppes” is an expression often used to describe Eurasia. Miriam-Webster again: Eurasia is “The landmass of Asia & Europe —chiefly used to refer to the two continents as one continent”.

Russia meanwhile acknowledges its unique geographic position by maintaining the Double-Headed Eagle as its national symbol. One head faces west, the other east. Although its capital city is in the European part, 75 percent of Russian territory lies in Asia. When thinking of Asia, images of steamy jungles and elephants tend to come to mind, yet the region has a long coastline above the Arctic Circle, previously home to the elephant’s distant cousin, the mammoth. As global warming increases, we may become more familiar with the concept of Arctic lands being Asian.

The reason these definitions are changing is largely due to the rise of China, a re-think of its role in the world and its revision of domestic and foreign policy. As China spreads its influence beyond its own borders, those of us from white European stock should be reminded that the term “Caucasian” typically used to describe us in terms of race includes the word “Asian”.

For the purposes of this book however, and in accordance with Miriam-Webster’s definition of “Eurasia”, this analysis views the subject as including all of Asia – meaning from Arctic Siberia, south to countries such as Sri Lanka and Indonesia, and West to India, Pakistan and Iran. It also includes Europe because, as we will see, China’s Silk Road Economic Belt will impact upon all.
China’s Proposed New Silk Road

Many years ago, in the excellent Provincial museum in Urumqi in China’s Far West Xinjiang Province, I was looking at an unusual vase that had been dug out of the Gobi Desert sands, painstakingly pieced together, and labeled “Origin Unknown.” Dating techniques had identified it as being about 1,500 years old. Its shape, rather like a small Gourd, had originally been decorated with an ancient dye with striking zig-zag patterns. Calling to my friend, an ex-Africa hand, he told me “I know exactly where that comes from. That style is unique to an African tribe who still make them today, just outside of Mombassa.”

That the ancient Silk Road was a multiple lane highway covering most of Eurasia and routes down to Africa is now a given. Yet it is still astonishing to discover the amazing scope of that network. Then, as now, the Silk Road grew up not just as one country’s domain, although the large markets of China, India and Europe were certainly influential. Today, the Silk Road is once again making headlines. In fact, China’s largest international media achievement has arguably been the announcement of its new One Belt, One Road strategy, rather clumsily called the “New Silk Road Economic Belt”. Combined with the nation’s other large ambitious project, a 21st Century Maritime Silk Route which connects China with South-East Asia, Africa and Europe, this new vision is a major development in outward diplomacy and represents an opportunity to expand Chinese influence while also showcasing Beijing’s softer side.

As envisioned by Beijing, the New Silk Road Economic Belt and Maritime Route will comprise two distinct transportation corridors: a land route that connects Xi’an in West China to Duisburg, Germany and Rotterdam, Netherlands in Europe by way of Central Asia; and a sea route that connects South China to Africa and Europe by way of Vietnam, Malaysia, Indonesia, Sri Lanka and India. Both routes present challenges and opportunities for China, with political instability, limited existing infrastructure, competing nations, and the potential for corruption all important issues.

The Silk Road Economic Belt and Maritime Silk Road will run through Asia, Europe and Africa, connecting the East Asia economic circle at one end with the developed European economic circle at the other, and encompassing countries with huge potential for economic development. The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with South-East Asia, South Asia and the Indian Ocean.

The Maritime Silk Road is designed to go from China’s coast to Europe through the South China Sea and across the Indian Ocean to East Africa in one route, and from China’s coast through the South China Sea to the South Pacific in the other.
This new Silk Road has not been hard to sell. Regional partners, particularly smaller, and often over-looked countries, are eager to gain Chinese assistance in building critical infrastructure; as Chinese Foreign Ministry spokesperson Hong Lei stated at a press conference on the new initiative, “A place needs to have well-functioning roads before it can get rich.”

The Silk Road Economic Belt concept was initiated by Chinese President Xi Jinping during a state visit to Kazakhstan in 2013. In a speech at Nazarbayev University, Xi suggested that China and Central Asia build a Silk Road Economic Belt to boost cooperation. It was the first time China’s leadership mentioned this strategic vision. In November 2014, President Xi announced that China would accelerate the construction of the new Silk Road Economic Belt and strengthen cooperation with the countries involved. Xi stated that China would contribute US $40 billion to set up the Silk Road Fund. During APEC meetings in Beijing in the same month, Xi said that the fund will be used to provide investment and financing support to carry out infrastructure, resources, industrial cooperation, financial cooperation and other projects related to connectivity for countries along the new Silk Road. With the New Silk Road Economic Belt project firmly established, China unveiled its second major initiative in as many years with the establishment of the Asian Infrastructure Investment Bank, a multinational development bank that will provide financing to infrastructure projects in Asia. Headquartered in Beijing, the bank will take advantage of China’s expertise in infrastructure development and construction – China spends nearly 8.5 percent of its GDP on infrastructure, its neighbors have yet to exceed 4.0 percent – and help meet the growing need for modern roads, railways, and logistics centers in Asia.

In establishing the New Silk Road Economic Belt, China faces many challenges. In West China, it will need to create economic development that will pacify unrest amongst separatist elements within the Uyghur population, something that it has not been entirely successful with in the past. Local minorities feel discriminated against in the job market and guidelines by Beijing to employ more Uyghurs have not been widely implemented. So far, violence in the region has had a limited impact on business, but the importance of keeping the restive region under control will only grow as the area becomes a key hub in the New Silk Road Economic Belt.

China’s neighbors also present issues for China’s Silk Road initiative. Distance, terrain, and political and security risks have hampered previous efforts to develop sustainable and modern transportation routes through Central Asia. A recent report by the global intelligence company Strafor pointed out that the trade corridor between Xinjiang and Pakistan would be an “easy target” for local separatists or jihadists elements with ties to the East Turkestan Islamic Movement in Xinjiang, and Pakistan’s Waziristan region.”
Central Asia is also beset with governance and corruption issues, and these countries are notorious for being poor on observance of rule of law and human rights. The possibility of future unrest is never far away. These issues are no less complex in South-East Asia, where China finds itself in a territorial dispute with its neighbors over maritime boundaries and the Spratly and Paracel archipelagos. Rich fishing grounds around the two island chains and suspected oil and natural gas reserves as well as proximity to strategic shipping lanes have made this section of the South China Sea highly contested among several nations, including China, Vietnam, Philippines, Malaysia, Taiwan and Brunei.

President Xi has stressed that China should cooperate with neighboring countries and build a network of close-knitted common interests in an effort to raise the scale of converging interests to a higher level on the basis of the principles of mutual benefit and reciprocity. He has said that it is essential that neighboring countries benefit from the growth of China.

The Silk Road Economic Belt and Maritime Silk Road will boost China’s trade with the whole Eurasian continent. And with Beijing footing much of the bill for the requisite infrastructure development, the vast trade network will increase the number of regional governments that view China as a patron and benefactor rather than a threat. A “win-win” for Beijing, if it can successfully overcome the many complex issues it will face as it expands influence through Eurasia.

In fact, although China can be seen as the primary mover and shaker behind these new routes, it isn’t really so much of a Chinese infrastructure project. Rather, it requires the cooperation and investment of multiple countries – an estimated 65 nations are expected to be directly affected by the new trade routes should the project come to fruition. Major players include Russia, whose existing infrastructure and increasing pivot eastwards will prove crucial to getting the project moving ahead. Also influential will be India and Iraq, whose massive land masses provide gateways to huge markets and supplies, not least in energy, where China is resource poor.

In this book, I examine the make-up of the proposed overland and maritime routes, as we take a trade journey across the Eurasian land mass, much of Asia, the Middle East and Africa. Doing so demonstrates that it is an extraordinary initiative for China to be pushing. However, if it can succeed, the new Silk Road routes will revolutionize continents. This, the 21st century, may yet prove to be the moment Asia, Europe and Africa become fully integrated. The repercussions of this will remain for centuries.
The Historic Silk Road

The ancient Silk Road was actually a number of routes, so named because of the most luxurious and expensive product of the day - silk - which was at the time produced solely by the Chinese. However, the routes actually transported thousands of different types of goods between Asia and Europe. A glance at the murals on the St. Marks Basilica in Venice reveals images of ancient traders, for example, while the dark blue - as opposed to usual red - lanterns of restaurants in Xi’an reveal them to be descendants of Muslim silk road origins.

The ancient Silk Road routes linked China with Mediterranean Europe. It included cities across China, Central Asia, the Indian subcontinent, the Caspian and Caucasian countries, in addition to Europe and North Africa. The northern and westwards routes extended across Xinjiang Province and into Kazakhstan, the central route through Central Asia's extensive Fergana Valley, where it divided. To the west, it continued across Central Asia and Persia before ending at ports in Mediterranean Turkey, while the southern route came down through what is now Pakistan and joined the maritime routes near Karachi and met with the shipping routes that still today connect across the Arabian Sea to the Levant and Africa.

The southern route extended from Xi’an, the ancient Chinese capital, in Shaanxi Province, heading directly towards the Tibetan plateau, where a mountain route continued to Lhasa, then south towards Calcutta, while an easterly route skirted Burma before joining the same location on the Bay of Bengal. It also connected with maritime routes linking it with the Malay Archipelago, South China, and Indonesia to the east, and once again to Karachi to the west.

In its day the Silk Road influenced and continues to demonstrate its cultural and trade impact across Eurasia, Europe and South-East Asia. The new “Silk Road Economic Belt” merely seeks to upgrade and bring into the present day an interconnected system of trade, culture and social intercourse that could become the most significant and world changing event of this century, just as its predecessor was in its day.

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