



BULLETIN

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“One Belt, One Road”: Mapping China’s New Diplomatic Strategy

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Xi Jinping’s Silk Road (SR) action plan is nebulous, but presents the main goals, the scope of the concept, and its mechanisms. While the plan suggests that it will take years to achieve tangible results, China’s recent generous pledges, such as financial commitments to the SR infrastructure projects and new institutions, highlight that implementation is already underway. Poland is on the SR route, and wants to use it to expand exports, attract investments and take part in infrastructural projects. With direct railway cargo connections with China, and plans to create “dry” inland logistic hubs, Poland should more actively inform its entrepreneurs about these initiatives, so that trains going to China carry with them Polish products.

In mid 2013, Xi Jinping mooted the Silk Road (SR) Economic Belt idea, and a month later he announced the 21st century Maritime Silk Road concept. The policy was, at the time, perceived as an idea to boost economic and political relations with neighbouring countries. The economic belt would serve this purpose for China’s western and inland central Asian states, while the maritime Silk Road would do so for Southeast Asian states. In mid 2014, another slogan was coined—“One Belt, One Road”—which is used interchangeably with the term “Silk Road”. However, the initial vagueness of the concept, its prompt “expansion” to the more distant areas (for example, to Europe and Africa), and international discussion about the project’s content resulted in “Silk Road brainstorming” in China. Experts helped to work out the details and, after more than a year, Xi unveiled the action plan, first infrastructure and economic deals, while projects within the SR framework have also been announced and new institutions established. Although the plan is still nebulous, there are some details that indicate China’s main goals. These are, to be a rule-maker and contributor to the global economy, to internationalize Chinese contractors and currency, to upgrade technology and production capacity, and so on. As a result, China intends to restructure its economy as a “new opening up”.

What the Silk Road Is Not. The action plan, analysis and officials and experts’ opinions are all intended to defuse concerns about the SR. In that sense, it is sometimes easier to quote official arguments about what the SR is not, than what it is. It is a skilful means for China to demonstrate its active and peaceful agenda, which is not directed against any other country, and to highlight the Chinese charm offensive based on a “win-win” philosophy. It is also a way to distract from China’s more troublesome activities, such as flexing muscles in the South and East China Seas, its army modernisation, and its newly announced military strategy with an “active defence” approach.

The striking point is the usage of the words “proposal”, “vision” and “framework” instead of a “strategy”. In that sense, China highlights that the concept has no political goals, that it is not a political tool to exert pressure on others. This is vindicated by the fact that, officially, there is neither a list of the countries included in the SR nor an official map that presents details of the SR routes. What is more, the SR is not a “solo” idea that the PRC wants to impose on others, but is based on any country’s voluntary decision to be part of it. Moreover, Chinese officials reject any comparisons to the Marshall Plan. They argue that the SR has no similarities to this plan, led by the United States, guided by a Cold War mentality, and founded on ideological, political and security considerations to contain communism. Furthermore, the SR is not any kind of one-way development assistance prepared for a limited number of countries, as the Marshall Plan was. In that sense, the SR is not an exclusive idea based on conditional grants and aiming to augment China’s position as a superpower. Finally, the SR is not only a means to develop the western part of China, and in that sense it has no single

starting point. Moreover, the SR is not the idea of a single Chinese institution, but a comprehensive concept that managed and implemented by the National Development Research Commission, the Ministry of Foreign Affairs and the Ministry of Commerce.

What the Silk Road Is. In fact, the SR can be called a comprehensive domestic and foreign policy strategy. It is based on Chinese interests, political and economic, including domestic development. The main interests are related to China's perception of global changes brought about by financial crisis, and growing world-wide interdependence. China, which has coped quite well with the crisis, and still has a stable economy, despite a recent slowdown, would like to make its own contribution to the global economy and politics as a means of indicating its ascendancy.

The blueprint clearly lists the desired areas of economic cooperation. The most important is trade, with exports for securing outlets for China's products, and imports for acquiring raw materials and new technologies. The SR is to facilitate Chinese investments by reducing or eliminating barriers, such as by establishing free trade areas, signing agreements on avoidance of double taxation, expanding the scope of economic cooperation in areas such as agriculture, maritime industries, energy, green technologies (the "green Silk Road"), and more. Another area is financial cooperation, which should be based on a stable, internationalised currency, and new institutions such as the Asia Infrastructure and Investment Bank, the Silk Road Fund, the BRICS New Development Bank, and so on, in order to stimulate investments and eliminate infrastructure bottlenecks that limit regional development.

Although there is no detailed map of the SR, the document presents regions that are involved in this concept, both within China and without. It lists almost all provinces, main cities, and inland and coastal Chinese areas, indicating that this is a comprehensive project that should contribute to the development of the PRC as a whole, and the SR outside China spans three continents, Asia, Europe and Africa. The Economic Belt contains Central Asia, Southeast Asia, Russia, Europe (including the Baltic Sea), the Persian Gulf and the Mediterranean Sea. And the 21st century Maritime Silk Road embraces harbours along China's coasts, the South China Sea, the Pacific Ocean, the Indian Ocean and Europe. The map of the areas covered by the SR may indicate that the strategy is a Chinese global pivot in response to the U.S. pivot to Asia. China's generous offer for countries interested in joining the SR, together with its use of soft power and peaceful rhetoric, might be more attractive cooperation proposals than those offered by the U.S or the EU.

Implementation has Already Begun. Although the SR is a long-term idea and the action plan is not well defined, there are examples of the initial implementation of the "One Belt, One Road" idea. Most of the offers of cooperation and deals signed during official visits are perceived as SR projects. For example, during Xi's visit to Pakistan in April, China revealed its \$46 billion investment plan focused on the 3000-km Economic Corridor between China and Pakistan (linking Gwadar and Kashgar). The plan embraces transport, energy and deep sea port projects, giving China an access to the Indian Ocean and the Bengal Bay, and to the Middle East and Africa, bypassing the Malacca Strait.

The SR was also an important topic of discussion during Xi's visit to Russia, Kazakhstan and Belarus in May. In Russia, Xi signed an agreement about linking the SR with the Eurasian Economic Union. China also pledged to invest \$5.8 billion in the construction of the high speed railway linking Moscow and Kazan, which will be extended to China via Kazakhstan. In Belarus, the focal point was the China–Belarus Industrial Park, as an important point along the Silk Road, connecting Asia and Eastern Europe. China is signing similar agreements with other countries. It should be expected that most of the projects that China will implement with other countries, especially in Asia, will be linked with the SR.

The Silk Road and the CEE Countries. Central and Eastern Europe is included in the SR, which might be beneficial for the region as a whole, and for Poland. For example, taking into account the huge trade deficit on the Polish side, the SR might be a tool for increasing bilateral trade, especially increasing Polish exports, but also attracting Chinese investments. Additionally, Poland, as a potential founding member of the AIIB, is interested in taking part in infrastructural projects in Asia.

There have recently been signals of positive results from the implementation of the SR in Central and Eastern Europe, although it is still at an early stage. Hungary is the first CEE country to have signed a cooperation agreement within the "One Belt, One Road" framework, but the details of this are still unknown. Earlier, during the third China–CEE summit in Belgrade, in December 2014, China, Serbia and Hungary signed an agreement to build a high-speed Belgrade-Budapest railway within the Silk Road framework. Moreover, Poland has already become an SR country, with two cargo railway connections, linking Chengdu and Łódź and Suzhou and Warsaw in operation since 2013, and this year the Polish railway company PKP Cargo launched operations on the Henan–Hamburg railway connections. The company has already signed a memorandum with the Zhengzhou International Hub company, to set up a joint venture to build a dry logistic hub in Małaszewicze on the Polish–Belarusian border, as a main hub for the shipment of containers between China and Europe.

To facilitate trade relations, Polish authorities as well as cargo operators should actively inform Polish businesses about this opportunity for sending Polish products to China. Railway transport is quicker than sea transport, which is crucial for the agricultural products that are part of Poland's attractive export offer, and this may narrow the trade deficit. As well as initiatives by local government, the example from Łódź, which has a liaison office in Chengdu, and then MFA made a decision to open a Polish consulate there in order to maintain growing interest between the Chinese and Polish provinces and the two countries as a whole, show that there is room for local authorities and business initiatives to use the SR for facilitating cooperation on the local level.