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Transforming Education Transforming India

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Task(CA-2)

ONE BELT ROAD (OBR)

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Abstract:

One Belt One Road (OBOR), the brainchild of Chinese President Xi Jinping, is an ambitious economic development and commercial project that focuses on improving connectivity and cooperation among multiple countries spread across the continents of Asia, Africa, and Europe. Dubbed as the “Project of the Century” by the Chinese authorities, OBOR spans about 78 countries. The Belt and Road Initiative (BRI, or B&R) is a global development strategy adopted by the Chinese government in 2013 involving infrastructure development and investments in nearly 70 countries and international organizations in Asia, Europe, and Africa.

The leader of the People's Republic of China, Xi Jinping, originally announced the strategy during official visits to Indonesia and Kazakhstan in 2013. "Belt" refers to the overland routes for road and rail transportation, called "*the Silk Road Economic Belt*"; whereas road refers to the sea routes, or the 21st Century Maritime Silk Road.

Initial Objectives:

The stated objectives are “to construct a unified large market and make full use of both international and domestic markets, through cultural exchange and integration, to enhance mutual understanding and trust of member nations, ending up in an innovative pattern with capital inflows, talent pool, and technology database.” The initial focus has been

infrastructure investment, education, construction materials, railway and highway, automobile, real estate, power grid, and iron and steel. Already, some estimates list the Belt and Road Initiative as one of the largest infrastructure and investment projects in history, covering more than 68 countries, including 65% of the world's population and 40% of the global gross domestic product as of 2017.

The Belt and Road Initiative addresses an "infrastructure gap" and thus has potential to accelerate economic growth across the Asia

Pacific area, Africa and Central and Eastern Europe: a report from the World Pensions Council (WPC) estimates that Asia, excluding China, requires up to US\$900 billion of infrastructure investments per year over the next decade, mostly in debt instruments, 50% above current infrastructure spending rates. The gaping need for long term capital explains why many Asian and Eastern European heads of state "gladly expressed their interest to join this new international financial institution focusing solely on 'real assets' and infrastructure-driven economic growth".

History:

OBOR is rooted in and inspired by the historic Silk Road, which is a road both based on maritime and land, aims to expand the trade, communication and cultural exchange, which was done by China before to connect Asia, Europe and Africa" (Yu, 2017, p. 354). However, the purpose of the historic Silk Road was not only about the trade but also about revealing the sea power of China. Through the OBOR initiatives, the Chinese authority is dying to show their political power and tight the economic partnership with its close neighbouring

Asian nations and the world. At the same time, China launched AIIB in order to support BRI and reform global economic governance. However, OBOR and AIIB could help China access to natural resources from other countries, as well as expand its regional power which reflects China's geopolitical logic. Also, AIIB and OBOR not only help China develop its domestic market, but also help China to reform the existing international financial system, which is about geo-economic. Since China launched OBOR and AIIB has political and economic demand, Russia as another great power has a common interest with China, but also has conflicts of interest on Central Asia and the Arctic. "Although Moscow highlights the role of OBOR, it still wants to prevent Beijing's geopolitical domination of continental Eurasia" (Lukin, 2018). Meanwhile, OBOR may have a detrimental effect on the Eurasian Economic Union (EEU), which was conducted by Russia, since some of their functions are overlapping. Lastly, OBOR also will influence its domestic politic.

How One Belt One Road Works:

Initially announced in the year 2013 with the purpose of restoring the ancient Silk Route that connected Asia and Europe, the project's scope has been expanded over the years to include new territories and development initiatives. Also called the Belt and Road Initiative (BRI), the project involves building a big network of roadways, railways, maritime ports, power grids, oil and gas pipelines, and associated infrastructure projects.

The project covers two parts. The first is called the "Silk Road Economic Belt," which is primarily land-based and is expected to connect China with Central Asia, Eastern Europe, and Western Europe. The

second is called the “21st Century Maritime Silk Road,” which is sea-based and is expected to will China’s southern coast to the Mediterranean, Africa, South-East Asia, and Central Asia. The names are confusing as the ‘Belt’ is actually a network of roads, and the ‘Road’ is a sea route.

They contain the following six economic corridors:

1. **The New Eurasian Land Bridge**, which connects Western China to Western Russia
2. **The China-Mongolia-Russia Corridor**, which connects North China to Eastern Russia via Mongolia
3. **The China-Central Asia-West Asia Corridor**, which connects Western China to Turkey via Central and West Asia
4. **The China-Indochina Peninsula Corridor**, which connects Southern China to Singapore via Indo-China
5. **The China-Pakistan Corridor**, which connects South Western China through Pakistan to Arabia sea routes
6. **The Bangladesh-China-India-Myanmar Corridor**, which connects Southern China to India via Bangladesh and Myanmar

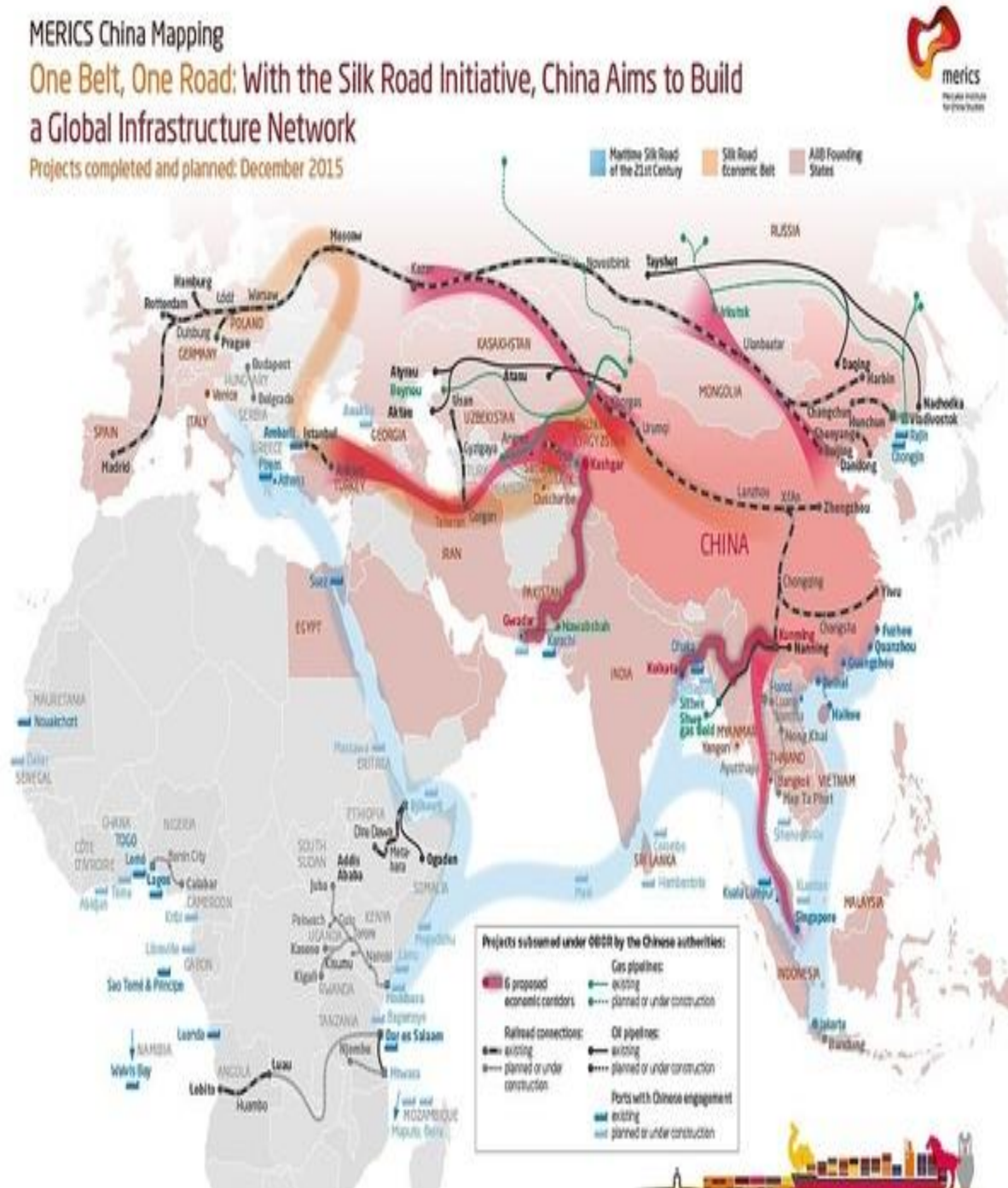
Additionally, the maritime Silk Road connects coastal China to the Mediterranean via Singapore-Malaysia, the Indian Ocean, the Arabian Sea, and the Strait of Hormuz.

OBOR's Importance to China:

OBOR is of prime significance to China as it aims to boost its domestic growth and is also a part of the country's strategy for economic diplomacy. By connecting the less-developed border regions like Xinjiang with neighboring nations, China expects to bump up economic activity. OBOR is expected to open up and create new markets for Chinese goods. It would also enable the manufacturing powerhouse to gain control of cost-effective routes to export materials easily. Any excess capacity in terms of production can be channelized effectively to regions along OBOR routes. China has announced investments over \$1 trillion in the various infrastructure projects and is funding them by offering low-cost loans to the participating countries.

Many participating countries, like Kyrgyzstan and Tajikistan, are positive about OBOR due to massive investments by China in local transmission projects in these nations. Landlocked Nepal has recently joined OBOR by signing a deal that will help it improve cross-border connectivity with China, and Pakistan is set to benefit from the \$46 billion China Pakistan Economic Corridor (CPEC) that will connect southwestern China to and through Pakistan, allowing access to Arabian Sea routes. While China continues to pitch OBOR as an all-inclusive project for regional development, other nations perceive it as a strategic move by the Asian powerhouse to attain significance and control at a regional level and to play a larger role at the global level by building and controlling a China-focused trading network.

With US President Donald Trump posing challenges for Asian nations through measures like trade tariffs, China sees this venture as an opportunity to emerge as a regional leader. In the future, we may see a boost in the Chinese yuan, with increased usage in the OBOR region.



Supporters of the Project:

- Russia
- Asia
- Singapore
- Arab Countries
- Africa
- Europe

Opponenets of the Project:

- India
- Australia
- Japan
- US(Indo-pacific vision)
- Vietnam
- European Union
- South Korea

Geopolitics vs. Geo-economics:

No matter in geopolitics or geo-economics, the states still play a role as a key actor. However, “since the development of technology, financial and global market, post-Cold war logics came out” (Strange, 2002). The geopolitics more focus on the territory and military power. From the perspective of geopolitics, countries need to think of their influence of their power. “States need have an organic and exclusive area to reveal their influence” (Mead, 2014). Hence, generally, geopolitics concentrates on the military, security and territorial issues. In contrast, geo-economics supporters believe that capital, market penetration are the new methods for countries to reveal their power, rather than military and territorial power. “Since the reduction of military power in the international system, states are finding a new method of commerce to replace geopolitics” (Luttwak, 1990). However, the zero-sum logic still exists, but in different ways. Largely, the geo-economics is more focus on how the economic power influence the global political, financial and military developments. The OBOR initiatives and AIIB not only reflect China’s geo-economical logic but also reflect its geopolitical logic. “The AIIB and OBOR initiatives have made China the centre of geo- economics and geopolitics in the region and beyond” (Yu, 2017).

To some extent, geopolitics analysis how the military, political, human resources and other hard power elements influence states’ foreign policy. Xiang Lanxin, director of the Centre of One Belt One Road and Eurasian Security, a Shanghai-based think-tank, told Economist (2016) that although Chinese officials say there is no geopolitics, however, it is not convinced, everyone knows it is about the geopolitics. The OBOR plays a key role in Chinese diplomatic

initiatives. Firstly, it is about energy geopolitics. OBOR could offer China an opportunity to help Chinese western area to connect with the sea, so that could fulfil its strategic supply needs. The OBOR initiatives let China access other states' natural resources, like Turkmenistan, Kazakhstan and Russia. It could help China open the market, "along the Silk Road route to power sustained economic growth at home and advance its national economic interests abroad" (Yu, 2017). For instance, China has already invested in some areas where are less influenced by Russia. Largely, China more focus on investing in the oil and gas sector. In fact, "Chinese companies have acquired corporations from these countries in recent years and a broad pipeline and pipeline network directing these inputs to China is already in place" (Victoria, 2018).

Meanwhile, China deepens the relationship with Pakistan in order to access the Arabian Sea, so that it could expand its economic and political power in this place. According to Victoria (2018), "China has already invested \$ 20 billion to the project in China to the port of Gwadar in Pakistan, which is conducted by China Overseas Port Holding Company." China is trying to be the regional leader through OBOR.

Conclusion:

The OBOR is the most ambitious foreign policies which conducted by China recently, it reveals China's future and its demand in the world. Through analysing the domestic and international situation, there are several

political and economic reasons for China to conduct OBOR, they are resolving the security issue; expanding its power abroad; reflecting Xi's pretensions; benefiting domestic Chinese economic market and resolving to unbalance between east and west. Meanwhile, in order to support the OBOR strategy, China built up AIIB. According to (Callaghan & Hubbard, 2016, p. 117), "AIIB is a tool to support Chinese president Xi Jinping's foreign policy "OBOR". Also, China hopes AIIB as a tool to have more power of discourse in terms of the in the financial system.

However, the AIIB and OBOR reflect both China's geopolitics and geo-economical logic by analysing China's recent actions. Since the OBOR could help China access to natural resources so that could give west of China supply. Meanwhile, the OBOR and AIIB can expand its regional power by developing other countries' infrastructure. Hence, those reveal China's geopolitics logic. At the same time, OBOR and AIIB also not only can help China develop its domestic market, but also help China to reform the existing international financial system. Therefore, those demonstrate its geo-economical logic.

However, Russia as a great power and neighbour of China, it is deeply influenced by OBOR and AIIB. Those both have a negative and positive effect on Russia. It has affected the future cooperation between China and Russia in the political and economic fields, as well as Russia's domestic politics. Although OBOR may cause Russia loses their power in this region, Russia also could use Central Asia's concerns about threats from China to benefit itself. Moreover, the OBOR could make Russian domestic politician have disagreements. Meanwhile, Russia needs money from China to build the infrastructure of the Arctic, but Russia may lose its power in the Arctic. Meanwhile, the functions between EEU and OBOR are overlapping at some points, so OBOR may play a negative role in EEU.

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