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A new Silk Road – China's soft power

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Bonn, 9 November 2015. The "new Silk Road" is the brainchild of Chinese State President Xi Jinping, who announced it as a major project - the Silk Road Economic Belt – during a state visit to Kazakhstan in mid-2013. Addressing the Indonesian parliament later that year, Xi declared that the initiative would also include the Maritime Silk Road. This gave rise to the somewhat awkward acronym OBOR (One belt, one road). Just under six months later, USD 40 billion was made available for the Silk Road Fund, which has been set up primarily to finance infrastructure projects and integrates new initiatives and existing ones such as the China-Pakistan Economic Corridor more effectively under the umbrella of OBOR.

OBOR establishes direct links with the Investment Plan of European Commission President Jean-Claude Juncker, which envisages that EUR 315 billion will be invested in Europe by 2017. Premier Li Keqiang is said to have already signalled that China is interested in the plan. And there are at least three other reasons why Europe should show an interest in and an openness to China in this matter.

Reason one: China's soft power

China made a wise choice in using the strong appeal and confidence-inspiring symbolism of the Silk Road as its sole strategy for developing its soft power. The term "Silk Road" has positive historical connotations and provides strong references for the 21st Century plans. In ancient times and during the Middle Ages, it consisted of a network of trade routes linking Europe with Central and South Asia and, ultimately, China. Silk, which gave the route its name, was transported westwards, while items such as glass were exported eastwards. Spices and expertise were also traded. Inventions such as gun powder, paper and porcelain made their way to the West, while different world views, such as Buddhism, Christianity and Islam, spread along the routes as a side effect. The concept of the Silk Road can be interpreted in numerous different ways and has largely positive associations. Nonetheless, the Chinese actors will need to clarify their priorities further in this context.

Reason two: Trade policy prospects for China

The Chinese private sector needs fresh prospects. The money is there, but needs to be invested in order to maintain momentum and inject fresh dynamism. This is where an investment programme in Central Asia and the Indian Ocean region offers new

markets and sales opportunities for Chinese products and new areas of activity for companies. Last but not least, the programme would enable excess capacity in the construction sector to be focused on mega projects in new regions, creating fresh opportunities for other sectors. China has already followed this logic with its activities in Africa.

The Chinese Government is also viewing Central Asia in the light of internal developments and unrest in Xinjiang province. Political tensions between the Uighur population and ethnic Han Chinese economic migrants are repeatedly leading to violent upheaval. This cannot be resolved by economic development alone - it is also necessary to reconcile political interests. But western China requires links to Central Asia as well. OBOR also secures routes to Europe, a major sales market, and is geostrategically significant.

Reason three: Opportunities for international cooperation

OBOR provides opportunities for China and Europe to work together to resolve conflict in a turbulent region. While engaging in economic activity in a troubled area may appear overambitious to an outside observer at first glance, it is very much an intentional strategy. The Chinese approach to conflict resolution invariably revolves around economic growth. From Beijing's perspective, economic development is always required for peace. To overstate the case, the Chinese Government views development as a prerequisite for peace, while the Western approach is often one of "peace first, then development". Even in ancient times, those travelling along the Silk Road had to contend with more than just the difficult mountainous and desert terrain; they faced security issues along the route and caravans were sometimes escorted by armed troops. Even the gradual deviation to maritime trade routes came about in response to the lack of security for overland transit. 21st-Century China is planning several routes from the outset, not least in order to involve its sceptical neighbours, who see China's expansion activities in areas such as the South China Sea as a cause for concern.

Of course, Beijing is primarily motivated by its own self-interest. But this does not necessarily preclude cooperation in the interests of Europe. The OBOR concept still appears flexible and malleable - something which Europe should recognise as an opportunity.