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East Mediterranean in the context of China's Belt and Road Initiative

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This is the introductory instalment in a series of articles examining The Belt and Road Initiative (BRI), China's flagship international economic project, in the wake of historical 19th Chinese Communist Party Congress, which formulated China's new domestic and foreign policy for years to come.

The series will be examining the BRI by geographic areas in the context of its economic and geopolitical interaction with different regions it is traversing, and consequently, implications for East Mediterranean and broader EU-China relations.

The Chinese Communist Party concluded its 19th National Congress on October 24, 2017 where it amended its constitution, set policy priorities, and handed Chinese President Xi Jinping political power not seen since Mao Zedong was in charge of the country.

During the Congress Mr. Xi presented ambitious vision for the country not just for the upcoming five-year term, but for the next 30 years. His guiding theory "Xi Jinping's Thoughts on Socialism With Chinese Characteristics for a New Era" was enshrined in the Party's constitution, which makes him second after Mao most influential Chinese leader.

Xi noted that under Mao Zedong's revolutionary leadership, the Chinese people stood up. Under Deng Xiaoping, the Chinese people became rich. And now, in China's third historic era, the nation is becoming strong. He emphasized the country's willingness to take a "driving seat in international cooperation".¹

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¹ Haenle P., "What Will a Powerful Xi Mean For the China-U.S. Relationship?", Carnegie-Tsinghua, 25.10.2017, http://carnegietsinghua.org/2017/10/25/what-will-powerful-xi-mean-for-china-u.s.-relationship-pub3550?utm_source=carnegiethisweek&utm_medium=email&utm_campaign=CTW10262017&mkt_tok=eyJpIjoiWIRKbU9HWTFZMkUyTnpneCIsInQiOiI2a2draVILYnFKS1h5YXZYZHZIMkdzcXMzb3BZS1FyRjYrcWV2b2h2b3JLUHE4aFRxN1dDb2hYbWhVOXIERU9MWFVPMmJyNm9ybU1jNkRQZjBjUFE5STAYRXBzS3VuMmpqRVMwbTJoUTdoNUF3NVVUanl5TnFGQ1ZsUzRXR0EzWCJ9

The President set a demanding two-part strategy for the country, with the ultimate objective of achieving "socialist modernization" between 2020 and 2035 and making China a "global leader in terms of strength and influence" by 2050.

Never before Chinese leadership was setting openly such ambitious goals and claiming global leadership. Over the span of almost thirty years China was following Deng Xiaoping's "24-Character Strategy": "Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership."²

Nevertheless, Xi appears convinced that China has bided enough time now. During the Party Congress, he stated that an amicable external environment has been shaped during the last five years, and that China will take an active role as "constructor of global peace, a contributor to development of global governance, and a protector of international order." The Deng Xiaoping era is officially over; Xi's "new era" has begun for China and the world.³

On the whole, Deng's era was a success: China boasts the world's second-largest economy today; the WTO ranks it as the largest global exporter and the second-largest global importer. And the country is second only to the United States in outbound foreign direct investment.⁴

China has moved past the paradigms that defined the previous three to four decades and is entering a new phase in modern history, where The Belt and Road Initiative (BRI) has become the organizing foreign policy concept of the Xi Jinping era.⁵

Since the announcement of the Initiative back in 2013, the Chinese project attracted a lot of attention in the Western expert community. Surprisingly, the currently dominant narrative is that of criticism and dismissal, mainly, focused on China's desire to export its excessive production capacity and unviability of most of the BRI projects. On top of that, general perception of Chinese economy and its future prospects, which dominates in the Western business media, is also bearish.

² Deng Xiaoping's, "24-Character Strategy", Global Security, October 2017
<https://www.globalsecurity.org/military/world/china/24-character.htm>

³ Daekwon S. "Xi Jinping Thought Vs. Deng Xiaoping Theory" The Diplomat, 25.10.2017,
<https://thediplomat.com/2017/10/xi-jinping-thought-vs-deng-xiaoping-theory/>

⁴ Dicken P., "Global Shift: mapping the changing contours of the global economy", SAGE, 7th Edition, 2015, pp. 20-31.

⁵ Talukdar S., "Xi Jinping refuses to select heir-apparent: Five reasons why he didn't and what it implies for India", The First Post, 25.10.2017, <http://www.firstpost.com/india/xi-jinping-refuses-to-select-heir-apparent-five-reasons-why-he-didnt-and-what-it-implies-for-india-4175037.html>

However, according to Nadege Rolland of the National Bureau of Asian Research in Seattle and former China expert at the French Ministry of Defence: "Despite the initiative's significance and the importance that Chinese policymakers clearly attach to it, *the study of BRI in the West lags behind a rapidly emerging reality*. Moreover, most of the available studies tend to focus on BRI's observable physical manifestations, drawing conclusions about its viability and purposes without examining the motivations and calculations of its architects."⁶

Interestingly, perception of the BRI's potential, China's emergence as more confident global power, and especially, perception of its future is very different in the regions outside the collective West (mainly West Europe and North America). Countries of the Middle East, Russia/CIS, Latin America and East Asia (including Japan, China's historical rival), mainly, view China's rise as inevitability. And therefore, they try both to adjust and extract economic and geopolitical benefits from this process, especially, at the time of growing uncertainty, when the US has chosen the policy of retrenchment from the world, and the European Union, bogged down by internal problems, lacks clear common geopolitical agenda.

In this environment of growing uncertainty, doubts and lack of Western leadership (and sometimes patronising lecturing) the world got used to over decades, China, despite its significant internal challenges, starts looking to many like the only "man with a plan", which offers cooperation based on principals different from those of the West.

Today, Chinese leadership realizes that their country accumulated significant economic, military and technological resources, China's economy became one of the most globally-integrated in the world, and time has come when it is already in a position to promote its own vision of international relations. Beijing is offering a new model based on recognition of common interests and rejection of ideological and geopolitical confrontation.⁷

Chinese foreign policy experts insist that geopolitics in Western interpretation is alien to Beijing, and China, by the very fact that it is both maritime and continental power, refutes the main premise of classical geopolitics based on competition of these two types of states. Thus, as the argument goes, the Chinese leadership offers to the world to build "A Community of Common Destiny".

⁶ Rolland N., "China's Eurasian century?", The National Bureau of Asian Research, Seattle, USA, 2017, p. 3.

⁷ Lomanov A., "The Era of Comrade Xi", Lenta.ru, 27.10. 2017, https://lenta.ru/articles/2017/10/27/chinese_party_congress/

Such an interpretation of classical geopolitics is mainly dismissed in the West. On the contrary, rising China is viewed by many as intensified version of classical geopolitics because it is combining characteristics of both categories of states. And for this very reason, The Belt and Road Initiative is a classical geopolitical project even in the power of two, since it combines both continental and maritime routes.⁸

As it was stated above, this is the introductory instalment in a series of articles examining the Belt and Road Initiative (BRI) in the context of its economic and geopolitical interaction with different regions it is traversing, and consequently, implications for East Mediterranean and broader EU-China relations.

The BRI blueprint encompasses over 60 countries, which account for 60% of the world's population and a collective GDP equivalent to 33% of the world's wealth. The economic corridors effectively constitute the framework of the Initiative beyond China's borders.⁹

The "Belt" expands across the Eurasian continental landmass through Central Asia, Russia, the Caucasus, the Levant, and Eastern Europe and branches out to Southeast and South Asia. The "Road" comprises a string of ports connecting China with Southeast Asia, South Asia, Africa, the Middle East, and Europe through the South China Sea, the Indian Ocean, and the Mediterranean Sea.¹⁰

Six economic corridors are proposed as the framework of the BRI outside China:

1. New Eurasian Land Bridge
2. China - Mongolia - Russia Corridor
3. China - Central Asia - West Asia Corridor
4. China - Indochina Peninsula Corridor
5. China - Pakistan Corridor
6. Bangladesh - China - India - Myanmar Corridor¹¹

After president Xi unveiled major components of the Initiative in autumn 2013, China has put more "meat" on the bones of such aspirational statements through the establishment of supporting multilateral financial institutions, such as the Asian Infrastructure and Investment Bank (AIIB) and Silk Road Fund (SRF); and the publication of an official "blueprint" by the National Development and Reform Commission for the implementation of BRI. Beijing has also backed

⁸ Lukyanov F., Stanislavsky's Geopolitics, Russia in Global Affairs, 19.10.2017, <http://www.globalaffairs.ru/redcol/Geopolitika-po-Stanislavskomu-19075>

⁹ "One Belt One Road: A role for UK companies in developing China's new Initiative", China-Britain Business Council, 2016, p. 9.

¹⁰ Rolland N., "China's Eurasian century?", The National Bureau of Asian Research, Seattle, USA, 2017, p. 1.

¹¹ "One Belt One Road: A role for UK companies in developing China's new Initiative", China-Britain Business Council, 2016, p. 9.

the initiative with a considerable financial commitment, earmarking \$40 billion for the Silk Road Economic Belt, \$25 billion for the Maritime Silk Road, \$50 billion for the AIIB, and \$40 billion for the SRF. The China Development Bank has reportedly reserved more than US\$890 billion for their development.¹²

This ambitious agenda has sparked a variety of reactions among governments throughout the regions encompassed by the Initiative. Geopolitically, BRI with its focus on developing trans-Eurasian connectivity centred on China, speaks to Beijing's desire to construct a viable strategic and economic alternative to the current international order.

However, it is obvious that the policy based on "recognition of common interests and rejection of ideological and geopolitical confrontation" promoted by Chinese foreign policy scholars, will be difficult to implement in practice, since the rise of the Middle Kingdom will inevitably be affecting positions of other major global players in every single region BRI will be traversing.

As for the East Mediterranean, it will be playing a special role in the context of BRI not only because it is the crossroads between Europe, Asia and Africa (all of which are the focus of the Initiative) but also because it is the exit point of both maritime and several land routes of the Project, for which Europe, so far, is the final destination.

This is the area where economic and geopolitical dynamics of several regions overlap – those of the EU, Middle East and North Africa, Asia minor, and partially, the South Caucasus and the Balkans.

China has major ambitions in the Eastern Mediterranean, and the greater its regional involvement becomes, the larger the risk becomes. This process is likely to affect the relationship between the US, EU and their regional partners, such as Israel, Egypt, Greece and Turkey. As these countries develop close economic ties with China they will be inclined to avoid having to choose sides between the West and Beijing in instances when these two have differing views on how to deal with regional security issues.

With regard to domestic crises and frictions among regional countries in the Eastern Mediterranean, so far China has a strong tendency to refrain from becoming directly involved or taking sides. However, it seems likely that eventually Beijing will need to develop tools to deal with regional security issues in the Middle East and North Africa.¹³

¹² Clarke M., "The Belt and Road: China's New Grand Strategy?", The National Bureau of Asian Research, Seattle, Washington, USA Number 24 (July 2017), p. 71.

¹³ van der Putten F.P., "Infrastructure and geopolitics: China's emerging presence in the eastern Mediterranean", Journal of Balkan and Near Eastern Studies, 2016 VOL. 18, NO. 4, 337–351.

China's growing economic presence in the East Mediterranean through its flagship project will inevitably be interacting with very complex multi-dimensional regional developments, which will be bringing to the local countries both new opportunities and risks. Expansion of the BRI will also be intensifying and deepening interconnectivity of the Eurasian landmass – interconnectivity, with which not only new products and services will be coming but other region's vulnerabilities and problems as well.



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