Chapter 5

China's Development Objectives and Its Belt and Road Initiative in the OSCE Region

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5.1 Introduction

The economic and political influence of China is growing intensively, and Europe is becoming more interconnected with Asia, particularly thanks to connectivity projects under the Belt and Road Initiative (BRI) that are causing the transformation of the OSCE region. The BRI has been referred to as the Chinese pivot towards the East; a regional integration project aimed at improving economic and trade cooperation among the participating states since its launch in 2013. The initial stages of the BRI idea started prior to 2013, and in recent years, there has been considerable debate over BRI's core objectives, whether it seeks economic benefits or if rather it pursues geopolitical and military goals. Essentially, BRI has the potential to provide significant advantages to China in all of these areas. It would also be a false assumption to expect that there is a single Chinese government endeavour behind the initiative. There are many other factors and actors whose actions under different powerful social circumstances contribute to the shaping of the BRI. More comprehensive and fair judgement can be made by examining perspectives from local, regional and global actors. The Central Asia region, being an important part of the ancient Silk Road due to its geographic proximity to China and its natural resource wealth, plays an important role in the BRI. In contrast to maritime projects and Chinese agreements with its neighbours in South and East Asia, China sees inland projects in Eurasia and Central Asia in particular as pursuing predominantly economic goals. For instance, construction of new rail lines and roads in Central Asia that connects China with Europe will cut the transportation time from China to Europe several times, compared to existing sea transportation routes. For example, rail infrastructure projects from China through Central Asia, with several alternative routes going through Russia or Turkey to the German city of Duisburg, the first stop in Europe for 80% of

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trains coming from China, will cut the transportation time from 40 days on the sea to 12 days by rail.¹

The BRI refers to a ‘Silk Road Economic Belt’ on the land, a ‘Twenty-First Century Maritime Silk Road’ on the sea, and more recently, through releasing its Arctic policy white paper, China also included a ‘Polar Silk Road’² into the initiative. Regarded as a hard dimension, through developing infrastructure projects on land and sea, the BRI is expected to lead to better connectivity, reduction in trade costs and other economic benefits. The soft dimension considers the fostering of policy coordination, creating single economic windows, free trade agreements, socio-cultural integration and other factors to limit administrative obstacles for the easy movement of financial capital, people and products, as well as ideas and technologies.

Recent studies, however, highlight that the BRI is a Chinese grand strategy to combat the US primacy in the global political and economic arena (Rolland 2017; Aoyama 2016). With regard to Central Asian countries, as they have been under the economic and political influence of Russia, the BRI projects challenge Russian hegemony in the region. Today, China has become the top investor and trade partner of the Central Asian states. Russia tries to balance the Chinese influence thanks to its long-term political, economic and military presence, and its historical and cultural ties with the region, but its response to challenge China in its neighbourhood—in South and Southeast Asia region—was not impressive due to the relatively limited investment capacity of Russia. It is worth noting that Russia has a technological, military and financial capacity and competence to become an important player in Africa where China is a principal player.

Overall, with the coming to power of President Xi Jinping, China systematically commenced its open foreign policy of claiming international leadership roles. The BRI should no longer be considered as a peaceful regional infrastructure venture, as its direct and indirect effects would encompass the whole world without exception, either positively or negatively. China has the financial, physical and human resource capacity to realise the BRI. The realisation of BRI in its full capacity would give a strategic advantage to China over other global powers.

Some researchers have analysed the economic and political impact of the BRI (Liu and Dunford 2016; Callahan 2016; Aoyama 2016; Rolland 2017; Cai 2018), while others focused on China’s foreign policy, but relatively few of the papers focused on the domestic policies of the country as a shaping factor of the BRI. Among the most commonly cited (Summers 2016) studies is the official discourse analysis in China. Summers proved that BRI is a global version of sub-national development policies being realised in China since the 1980s. The main idea behind such sub-national policies, particularly in Yunnan and Xinjiang provinces, was about

¹The Guardian, Germany’s ‘China City’: how Duisburg became Xi Jinping’s gateway to Europe, accessed at <https://www.theguardian.com/cities/2018/aug/01/germanys-china-city-duisburg-became-xi-jinping-gateway-europe>.

²Reuters: China unveils vision for ‘Polar Silk Road’ across Arctic, <https://www.reuters.com/article/us-china-arctic/china-unveils-vision-for-polar-silk-road-across-arctic-idUSKBN1FF0J8>.

improving connectivity, benefiting from their geographical proximity to neighbouring countries, promoting trade openness and free trade agreements. In this context, the main goal behind the BRI is found to be similar to the sub-national development programmes in China, so the discourses are also similar. Some countries were successful in combining national development strategies and infrastructure projects into a global BRI.

The BRI lies at the core of China's contemporary foreign policy for the OSCE region and its neighbouring countries. As claimed above, the development needs of China are considered to be the core objective behind initiating the BRI when it is contrasted with energy security needs and strategic objectives. From the perspectives of public perception, in Central Asian countries, sinophobia and sinophilia towards China have grown parallel to each other (Vakulchuk and Overland 2019). While political elites are supporting the BRI, some small businesses, Uyghur associations and nationalist groups, for example, are expressing negative attitudes towards the initiative. But in general, public perception is improving in the region and Chinese investments and tourist flows are accepted positively, and pro-Beijing political actors and businessmen are lobbying for an improvement in relations with China.

Overall, China instrumentalised the BRI to achieve its economic goals, and at the discourse level, most of its claims serve this goal. Particularly, discourse analysis shows that China is addressing its long-term strategic goals through developing an advanced technology sector in the country.

The literature lacks a perspective that combines China's most recent and earlier foreign policy analysis. It is noteworthy to consider that the decisions of the state may change or adjust over time because of powerful social factors and shifts. The state can continue with its core objective, in the case of the BRI, improving connectivity and international cooperation, but with the influence of some global, regional, national and even local factors, and the secondary targets like political and military goals may emerge. Thus, this study also tries to reveal the changing goals and motivations behind the BRI. The contemporary foreign policy of China was compared with China's foreign policy since the 1980s and onwards, as some studies (Summers 2016, 2018) put forward the continuity of China's foreign policy over last several decades.

While energy security needs were on the agenda of China's discourse in the earlier years of BRI, in recent years, the high-tech sector became the central target. China's state-owned enterprises (SOEs) are firmly following this target and are not constraining themselves to legal actions as they even entered into conflict with Russia and the USA as a result of copying intellectual properties. This study helped to prove the economic orientation of the BRI as a whole. However, in line with economic benefits, the BRI also pursues strategic goals.

By using the method of discourse analysis, one can see how Chinese leaders perceive the BRI over the period of time since 2013. Discourse analysis is a set of methods directed at revealing the context and producing the meaning behind the speeches

and texts. Usually, speeches of the leaders at the relevant forums, broadcasted interviews or conversations with leaders, newspaper articles or reports of relevant institutions are used as text material for the analysis. This is solely a socio-linguistic approach.

For example, official announcements and speeches of President Xi, the ministry of foreign affairs, and the speeches made by the central government body involved in the BRI—‘Advancing the Development of the OBOR’ responsible for the BRI have been analysed. This government body is chaired by Vice Premier Zhang Gaoli, Vice Chairmen: Wang Huning, a key policy advisor to Xi Jinping and one of the fathers of the Belt and Road idea; Vice Premier Wang Yang, whose portfolio includes trade, agriculture and tourism; former minister of Foreign Affairs and State Counsellor Yang Jiechi; and Yang Jing, who serves at key coordinating positions both within the Party Central Committee and the State Council. In particular, I have analysed the speech of President Xi Jinping at the Opening Ceremony of the Belt and Road Forum for International Cooperation held on 14 May 2017, and the remarks by the Executive Vice Foreign Minister Le Yuchenga at the Welcoming Dinner of The First Meeting of the Advisory Council of The Belt and Road Forum for International Cooperation (BRF) on 15 October 2018, plus the announcements of the Ministry of Foreign Affairs of China on the series of visits and meetings of Vice Premier Zhang Gaoli to Albania, Estonia, Kazakhstan, Russia and Slovenia in 2017. I also reviewed the Chinese 12th (2010–2015) and 13th (2016–2020) five-year programmes and the ‘vision and action document’ on the Belt and Road Initiative.

5.2 BRI and Globalisation: Beyond the Global and Local

There is a common understanding that because of the ‘globalisation’ movement, financial, physical and human capital encounters fewer constraints with national and state borders. Global as well as regional-level organisations, unions and projects have been considered as engines for transformation, global integration and eluders of national borders. But in reality, it is not only globalisation that is responsible for the global transformation. There are three types of interrelated contemporary shifts that account for the global geographical transformation. The restructuring of ‘geographical space’—a backbone of the claims of globalisation and internationalisation, a restructuring of ‘geographical scale’ that structures recent configurations of spatial differentiation, and finally the powerful social flows that directly challenge inherited patterns of geographical boundaries at all levels, whether it is global, regional, national, sub-national or local. (Please check the clarity of the sentence ‘The restructuring of...’.)

The BRI, being a global-level project that so far embraces 125 countries and 29 international organisations, is the sum of the local, national and regional projects. The core theoretical idea in the heart of the BRI is that spatial difference between the areas and regions will facilitate the movement of ideas, people and capital. The comparative advantage of doing business across areas with different socio-economic

stances, needs and capacities will serve as stimuli for the businesses, companies and different enterprises.

Space is produced through social interactions. 'It is not that material and social events take place "in space and time", rather that material and social events make the spaces and times they occupy' (Smith 2010). The BRI involves the interactions between political, economic and social actors and is shaped by competition, cooperation and compromise between the local, regional and global forces. In this context, it is possible to explain the BRI through the light of powerful social events such as the global economic and financial crisis in 2008/9, Chinese relations with other global powers, territorial conflicts in the South China Sea, the Korean Peninsula, Chinese internal ethnic and religious conflicts, the Russia–Ukraine crisis and the energy security needs of China and energy exporting countries. These events are constructed within as well as outside of China. BRI strategy is affected by these events and vice versa. Smith hence noted that '(I)n abstract terms, spatial scales are the outcome of social struggles; the production of scale demarcates the sites of a social contest' (Smith 2010).

Advanced economies have complex and web-like transportation systems in contrast to the infrastructure of the poorest African or Asian states where ports and overall logistics serve to extract and export their commodities. The transformation of the physical and social infrastructure can provide a power base for social change or for the defence of the status quo (Smith 2010). Historically, European renaissance and the emergence of capitalism was largely a result of sea trade and merchants gaining more power (Wolf 2010).

The Belt and Road Initiative is a China-led infrastructure project aimed at removing spatial differences through developing networks and cooperation across Eurasia and the World. Concerning China's connection in the region Anoushiravan notes that '(I)n evaluating the implications of the belt and road initiative for global order, we, therefore, need to go beyond the standard frameworks offered by IR to integrate perspectives from both global and (sub-national) regional political economy'. (Ehteshami and Horesh 2018). The Belt and Road Initiative is not a novice project. It is a global-level version of an already existing regional development policy of China (Summers 2018). In 1992, for example, along with Yunnan Province and Guangxi Zhuang Autonomous Region of China, Laos, Myanmar, Thailand and Vietnam entered into a sub-regional economic cooperation programme—the Greater Mekong Subregion (GMS)—developed by the Asian Development Bank.

Historically, the creation of national states from city-states involved cultural, political and economic interactions and territorial compromises between different opposing as well as cooperative forces. Infrastructure facilities promote trade, financial exchange and cooperation between a large number of market players across the regions on the one hand, and competition for access to resources and market share on the other hand (Smith 2010).

Today, another period of dramatic scale shifts or rescaling which marks the end of nation-states is being witnessed (Smith 2010). Chinas sub-regional development policies had put forward the target of benefiting from its comparative advantage considering the spatial differences between the coastal regions, East, West and Central

China, e.g. the 12th Five-Year program in 2011. Marked as Xi Jinping's foreign policy, BRI brings the idea to a global level. Spatial differences across the participating states in the initiative are expected to be engines of accelerated interaction and exchange.

According to the speech of the Executive Vice Foreign Minister Le Yucheng at the Belt and Road Forum held on 15 October 2018, '[t]o date more than 140 countries and international organizations have signed BRI cooperation agreements with China',³ but its impact will not leave any country in the world untouched. In this paper, the set of complex factors affecting the BRI is addressed. Chinese energy security needs, China's international and regional security needs, and China's attempt to shift global power order in line with China's development targets are the primary assumptions of this research as key influencing factors. Social upheavals such as the global financial and economic crisis and other factors will be paid similar attention. Initiation of the BRI and its evolutionary path will be considered as a dependent variable affected by local, regional and global factors.

5.3 BRI and the OSCE Region

China has implemented a very effective industrial policy since the 1980s. Coupled with its trade openness and accession to the WTO, China attained the most impressive growth in the modern economic era. Furthermore, the relative softer impact of the global financial and economic crisis of 2008/9 in China, compared to the western countries, further increased China's economic power. China played an important role in restructuring the post-crisis international order what led to questioning the US superiority in dealing with some global issues that are not only in the economic sphere (Kaczmarek 2015; Summers 2016), e.g. since the early 2010s, China has become more assertive in claiming maritime power in the South China Sea.

Despite the assertive statements and moves of President Xi Jinping related to the South China Sea and Chinese security in general, some scholars link the country's foreign policy shifts to its economic needs (Liu and Dunford 2016). Contemporary China has become one of the greatest economic powers. It is already one of the greatest economy in the world in purchasing power parity terms (IMF, OECD and World Bank) and not far from becoming the greatest economy in the world in absolute terms. In a corollary to its economic progress, China has accumulated immense foreign currency reserves, and it needs to find international markets and investment opportunities for their allocation (Liu and Dunford 2016). China has purchased the

³Remarks by Executive Vice Foreign Minister Le Yucheng At the Welcoming Dinner of The First Meeting of the Advisory Council of The Belt and Road Forum for International Cooperation (BRF) on 15 October 2018.

government debts of the USA, Japan and some other developed countries and became the largest global debt owner.⁴

While continuing to purchase, the foreign debts of these countries give strategic advantage to China, from the economic and financial perspective China needs to diversify its investment portfolio through investing in financial markets, real economic projects, joint ventures and many others. In this regard, China has become the third-largest country, in terms of outstanding investments, with around a 9% share in the world in 2017, following the USA's 24% and Japan's 11%.⁵ It should be admitted that although Chinese state-level investments are aimed at taking out countries' excess financial resources and focused on economic benefits, its targets are generally considered strategic level projects.

Chinese investments in the USA were 171 billion USD between 2005 and 2017. Congress passed legislation limiting China's investments in the USA; as a result, Chinese investments fell below 6 billion USD in 2018.⁶ Particularly, investments in the advanced technology sector allowed China to gain access to high-tech knowledge that can be transferred and used in developing the country's internal projects, including the military. The high-tech and overall soft power sphere is the only area where China lags far behind the USA, Japan and Europe.

There were some other economic factors lobbying implementation of the 'go out' policy. Particularly, the income level of the population in China increased substantially. Referring to Liu and Dunford (2016),⁷ China needs to search for both new markets as current export growth reaches its limits. China also has to reduce manufacturing activities as the country is facing huge environmental issues. The BRI helps China to find new suppliers, consumers, as well as partner countries where it can transfer some of the industrial complexes.

Another important social factor that led towards the initiation of BRI is the growing demand for energy resources by Chinese industries and the energy security needs of China. There is the so-called Malacca Dilemma, in which around 80% of China's energy imports passes through the Malacca Strait, which poses a direct threat to Chinese energy and economic security considering the consequences the strait potentially coming under the control of pirates or powers with conflicting interests to China. Thus, China has started to search for alternative energy supply routes.

As for the OSCE Region, China–Russia negotiations regarding the energy sector started as early as 2006, but because Russia's primary target market was Europe, Russia laid aside the negotiations for the following years as mentioned by Kaczmarek (2015). The global financial and economic crisis of 2008/09 and the Russia–Ukraine

⁴USNews, America Owes the Largest Share of Global Debt, accessed at <https://www.usnews.com/news/best-countries/articles/2018-10-23/america-takes-the-largest-share-in-the-global-debt-pie>.

⁵Authors calculations based on the UNCTADStat Data, accessed at <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx>.

⁶American Enterprise Institute, <https://www.aei.org/feature/china-tracker/>.

⁷For example, the annual salary of shop-floor workers exceeds US\$6000. These wage increases will drive more manufacturing capital is relocated, globalisation: unpacking China's Belt and Road Initiative, Area Development and Policy, 1:3, 323–340. <https://doi.org/10.1080/23792949.2016.1232598>.

crisis altered the situation. With falling energy prices and western sanctions, Russia had no alternative but China. The Eastern Siberia Pacific Ocean (ESPO) pipeline was agreed upon in October 2008. Over a 20-year period, 300 million tonnes of crude oil would be supplied to China with a total value of 100 billion USD, and Russia's Gazprom and the Chinese National Petroleum Company (CNPC) agreed on the construction of the 'Sila Sibiri' (Power of Siberia) pipeline, through which 38 bcm of natural gas would be supplied to China annually over a 30 years period starting from 2018 with a total contract value of 400 billion USD according to Kaczmariski (2015).

China's dependence on natural gas imports is expected to rise from 57% of domestic production in 2017 to 75% in 2020 and the Central Asian–China gas pipeline together with the Myanmar–China gas pipeline carrying 40% of China's gas imports will deliver the largest portion of the increase.⁸ In order to reduce its vulnerability to the energy imports from the Middle East through the Malacca Straits and further diversify energy supply sources, China secured its Central Asian gas imports at the level of 85 bcm per year (Turkmenistan 65 bcm, Uzbekistan and Kazakhstan 10 bcm each) as reported by Kaczmariski (2015). Other economic observers have long argued that the Central Asian, Russian and Pakistani overland pipelines are essential features of the BRI but it may not fully compensate for the interruption of shipments by sea (Rolland 2017). Nevertheless, it has definitely made China less dependent and more energy secure. In other words, together with the China Pakistan Economic Corridor (CPEC), new energy deals in Eurasia will ultimately lead China towards achieving its energy security goals.

5.4 Changing Dynamics of Regionalism

China's contemporary foreign policy is tightly tied with the BRI. The BRI is not a sole project with one objective and a specific timeframe. Rather, it is comprised of a set of independent regional- and national-level projects and targeted at reaching different goals that together may serve as a 'a grand strategy'. Grand strategy in this context refers to greater openness and connectivity, aimed at bringing international cooperation to the next level that will transform the OSCE region and the whole world. China's foreign policy is shaped by its economic progress. As China's economic development is largely dependent on and intensely tied with the global economy, it tries to take part in transforming global governance mechanisms and focusing specifically on the economic issues as it adapted western standards and norms. Kaczmariski (2015) states that. Therefore, ever since its accession to the WTO in 2001, China has been gradually broadening its participation in western-dominated economic multilateralism. It gradually 'learned' the economic rules laid down by the West, as Kaczmariski (2015) argues.

⁸China Daily Newspaper, CNPC to ramp up its global output, accessed at <https://www.chinadaily.com.cn/a/201908/19/WS5d59f62da310cf3e355666f4.html>.

The idea behind China's foreign policy was to keep a low profile while escaping unnecessary contradictions with global powers until China became one of them. China has transformed from a developing country into a global player but still acts as a regional actor in the international political arena. The position and the role the USA has delegated to China was not enough to satisfy its ambitions. A corollary of this circumstance was that China, after Xi Jinping came to power, commenced with anti-American policies. China challenged the US primacy in the neighbourhood. In 2012, at the Eighteenth Congress of the CCP, Xi Jinping was elected as President, Secretary General of the Communist Party, and the Chairman of the Central Military Commission (Kaczmarek 2015). The so-called Chinese Dream idea became a central point of China's foreign and internal policies. The foreign policy of China in the international arena as well as in Asia was dramatically altered when President Xi Jinping came to power, according to scholars such as Gabuev (2017) and Rolland (2017). Particularly, it was visible in China's relations with its near neighbours, and even with powers like Russia in the region.

China became more assertive, but not aggressive and despite insistently protecting its territorial rights in the South China Sea, and across other issues, it has been claiming collaboration rather competition with the USA. Despite its economic rise, China acts rather cautiously and tries to promote its image of a pro-western, peaceful and developing country. As indicated by Kaczmarek, 'Beijing engaged with global security issues only if Chinese vital interests were at stake' (Kaczmarek 2015). The question is not about how great powers are delivering global governance, but about how in practice global governance can be instrumentalised to shape the global institutions, norms and practices of the 'rules-based order'. Thus, whether or not the new global order will be led by China is not the appropriate question, but rather how the future global order will be formed under new conditions that include China's rise.

As can be seen in the speech of Wang Yi, the State Councillor and Minister of Foreign Affairs, at the Opening of Symposium on the International Situation and China's Foreign Relations on 12 December 2018, a narrative of China's contemporary foreign policy was focused on the BRI, its importance in the positive transformation of Eurasia and China–Russia relations. This is also reflected in the recent year's activities of the Shanghai Cooperation Organisation (SCO) launched by China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Russia in 2001. Particularly, the Bishkek Declaration of the SCO's Heads of State Council held in Bishkek on 14 June 2019 clearly condemns unilateral protectionist policies and other challenges in international trade⁹ that are said to be hindering globalisation and the economic progress of emerging powers in Eurasia. The declaration highlights the importance of connectivity and interdependence for the development of the Eurasia region and particularly for SCO member states.

Chinese political leaders consider BRI as a favour to the world and China as a representative of the developing countries. According to Wang Yi, State Councillor

⁹Bishkek Declaration of the Shanghai Cooperation Organisation's Heads of State Council, 2019, accessed at <http://eng.sectsc.org/news/20190614/550955.html>.

and Minister of Foreign Affairs of China 'BRI proposed by President Xi Jinping has become the most popular public good and the biggest cooperation platform in today's world'.¹⁰

China's perspective on global and regional order, particularly in South and South-east Asia, firmly differs from the US perspective. The most vivid contradictions observed in the security sphere manifested in the China-US confrontations in the South China Sea. Globalisation and global governance as meta-phenomena most widely used during the recent couple of decades promote reducing the governments' roles in interstate relations. It is a product of the so-called liberal international order based on international institutions. The important question in this regard from the social sciences scholars' perspective is whether China should be considered as a challenger of the current global order or as 'status quo' power. Chinese leaders actively use the term 'global economic governance' in the context of advocating openness through protecting and strengthening the role of multilateral systems, free trade mechanisms and institutions. Realisation of the BRI projects is generally conducted through multilateral institutions such as the Asian Infrastructure Investment Bank, where China has 26.5% of voting power among the total of 93 approved member countries.¹¹

Central Asian countries after the collapse of the Soviet Union in 1991 have not successfully commenced on any regional integration initiative except with the participation of Russia such as the Eurasian Economic Union (EAEU) and the SCO. China's experience in regional integration projects and new Silk Road infrastructure projects in the region under the BRI can strengthen existing interconnectedness, expand transportation links, promote interdependence and increase trade turnover between the Central Asia states.

China puts a strong emphasis on regional integration and regionalism. It has successful experience of regional economic development programmes as a result of regional integration. In 1992, the China State Council issued a policy for opening up Yunnan Province and improving cooperation with more developed coastal regions of China and with Southeast Asia. An Asian Development Bank (ADB) project was also initiated in the same year as the establishment of the Greater Mekong Subregion (GMS) to promote trade and economic cooperation between Yunnan Province of China, Cambodia, Laos, Myanmar, Thailand and Vietnam.

Later, another very important regional project has emerged during the Bangladesh–China–India–Myanmar Economic Cooperation Forum (BCIM) in 1999. It was the free trade agreement between China and ASEAN (CAFTA) and bilateral regional structures between Yunnan and northern Vietnam, Thailand and Laos. During that period, China developed the idea of constructing and improving transborder infrastructure linkages between Yunnan Province and South and Southeast Asia. In

¹⁰Speech by H. E. Wang Yi State Councillor and Minister of Foreign Affairs At the Opening of Symposium on The International Situation and China's Foreign Relations in 2018 Beijing, 11 December 2018, accessed at <https://yizhiyoudao.kuaizhan.com/75/8/p58007285725f74?from=timeline>.

¹¹ Asian Infrastructure Investment Bank, Members and Prospective Members of the Bank, accessed at <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>.

this context, the BRI can be considered as a regional project connecting less developed regions of China with the other countries in the Eurasian continent, particularly Central Asia, South Asia and Southeast Asia. At the same time, it is a global project linking China with the world through maritime routes, rail lines, roads and pipelines.

5.5 China's Official Discourse on BRI

The BRI is about bringing China's regional and sub-national experiences to a global level. At the same time, there is a discrepancy or spatial difference between regions of China. From this perspective, while being a global scale initiative at the same time, it serves sub-national level development objectives of China similar to GMS and CAFTA. According to the remarks of Executive Vice Foreign Minister Le Yucheng at the Welcoming Dinner of The First Meeting of the Advisory Council of The Belt and Road Forum for International Cooperation (BRF) on 15 October 2018, 'China is still confronted with development imbalance among different regions. The less developed western region, with 72% of China's landmass and 27% of its total population, accounts for a modest 20% of the GDP and 7% of foreign trade and outbound investment of China'.¹²

China's discourse is about cooperating with developing countries across the Eurasian continent in building national level infrastructure and development projects. China has broad experience of transforming into an industrialised state, thanks to industrial policies, developing connectivity, improving cooperation and promoting openness. In this retrospect, the BRI is to promote the so-called China's development model at the global level through promoting national-level projects and cooperation. In his speech, at the opening of Belt and Road Forum at 14 May 2017, President Xi stated that 'We have enhanced coordination with the policy initiatives of relevant countries, such as the Eurasian Economic Union of Russia, the Master Plan on ASEAN Connectivity, the Bright Road initiative of Kazakhstan, the Middle Corridor initiative of Turkey, the Development Road initiative of Mongolia, the Two Corridors, One Economic Circle initiative of Viet Nam, the Northern Powerhouse initiative of the UK and the Amber Road initiative of Poland'.¹³

This idea was repeated also at the Advisory Council meeting at the Belt and Road Forum by Vice Foreign Minister Le Yucheng, who said 'I have also witnessed how the BRI and Kazakh Bright Road Initiative have complemented each other, how the China-Europe Railway Express has helped catalyse local growth, and how the

¹²Remarks by Executive Vice Foreign Minister Le Yucheng At the Welcoming Dinner of The First Meeting of the Advisory Council of The Belt and Road Forum for International Cooperation (BRF) on 15 October 2018.

¹³Work Together to Build the Silk Road Economic Belt and The Twenty-First Century Maritime Silk Road Speech by H. E. Xi Jinping President of the People's Republic of China At the Opening Ceremony of The Belt and Road Forum for International Cooperation.

world's biggest land-locked country has gained access to the ocean thanks to the BRI. The Kazakhs hail China as "Kazakhstan's ocean".¹⁴

Apart from rail lines, highways and ports, one of the most important elements of the BRI is pipelines for oil and natural gas transit. It was at the core of dialogue between Chinese leaders and partners, particularly Vice Premier who is also the Chairperson of the government body for developing BRI. Zhang Gaoli's visit to Russia¹⁵ and Kazakhstan¹⁶ in April 2017 discussed the realisation of the agreed oil and gas projects. The importance of energy security or energy trade has not been a hot topic of discussion in the recent BRI forums and the speeches of president Xi and other Chinese leaders. It has been in the Chinese agenda for a long time prior to the launch of BRI in 2013, and in the first couple of years afterwards. China's trade and foreign policy addressed the issues through bilateral negotiations with energy producers. This was the period when China had serious problems with energy supply. Notably, in 2006, Zhang Guobao, responsible for energy planning in China, expressed his direct concerns regarding Russia's uncertainty and unwillingness to make a contract to build an oil pipeline to China (Kaczmarek 2015). Energy security concerns are not as serious as they were then. The negotiations on energy trade and investment are still intensively continuing between China and its partners, particularly Russia, Central Asia and its neighbours. China planned large investment projects in Africa and even in the Arctic with Russia. However, these projects in their nature assume bilateral cooperation with China. These projects should be considered more so than any other investment project by Chinese SOEs as targeting economic profits and less as a project targeting the energy security needs of China. Besides, energy transit pipeline projects that exist under the umbrella of the BRI may have existed successfully without the BRI. Rail, road and maritime ports and routes benefit tens or even hundreds of countries, people, different enterprises and companies while interactions through oil and gas pipelines are generally limited to exporters, importers and transit countries.

The development of an advanced technology sector is very frequently addressed as the core area in the most important policy documents, including the 13th Five-Year programme¹⁷ and the 'vision and action document' for the BRI. Chinese SOEs are not limiting themselves to legal actions. Behind the US decision on limiting Chinese investments to high-tech projects¹⁸ is that Chinese companies were replicating the US

¹⁴Remarks by Executive Vice Foreign Minister Le Yucheng At the Welcoming Dinner of The First Meeting of the Advisory Council of The Belt and Road Forum for International Cooperation (BRF) on 15 October 2018.

¹⁵Zhang Gaoli Meets with President Vladimir Putin of Russia and Attends the Meetings of China-Russia Cooperation Mechanism, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1454100.shtml.

¹⁶Zhang Gaoli Meets with President Nursultan Nazarbayev of Kazakhstan and Chairs the 8th Meeting of China-Kazakhstan Cooperation Committee, <http://www.china-un.org/eng/zgyw/t1455096.htm>.

¹⁷The 13th Five-Year Plan For Economic And Social Development of the People's Republic Of China (2016–2020).

¹⁸USNews, America Owes the Largest Share of Global Debt, accessed at <https://www.usnews.com/news/best-countries/articles/2018-10-23/america-takes-the-largest-share-in-the-global-debt-pie>.

advanced technology designs of the USA, and similarly, the Chinese military complex was directly copying Russia's military technology. As a result, Russia insisted on signing an agreement on the protection of intellectual property. As the soft power of China is the only area where it lags far behind the West, China never failed to utilise opportunities to pursue an active foreign policy towards promoting its high-tech and IT sectors. Zhang Gaoli's visits in April 2017 to Estonia¹⁹ and Slovenia²⁰ covered the advanced technology sector cooperation in aviation, machine electricity, information technology and other high-tech sectors important for China's strategic development goals.

5.6 Conclusion

China's foreign policy discourse has evolved since the launch of the BRI, but towards the same direction and with the same values. The BRI is not similar to regional development projects that China participated in before or any development project that existed prior to BRI.

Improving infrastructure and logistical performance has irrefutably been positioned as a driver of economic growth. As the OSCE region has failed to make sufficient investment in infrastructure development, it is a timely chance to be part of such a global project. This means that Chinese influence will increase in the Eurasia region.

It is indeed a global project with regional and national components that will give significant strategic dominance to China. In this regard, even if it is not only China's project, China is the country with a strategic advantage. Other participating countries will have some economic benefits while they may also grow their dependence on China. Because none of the national-level projects discussed in this paper will succeed without China, nor without all or most of the BRI states integrating into the initiative.

China's key official documents such as the 'vision and action document' of the Belt and Road Initiative and the Chinese 12th (2010–2015) and 13th (2016–2020) Five-Year programmes show the strong regional origins of the initiative. The BRI has been developed based on decades of Chinese development experience, which is continuing within the BRI framework. China's regional and provincial strategies and policies are important parts of the Belt and Road Official Documents mentioned above. It shows the continuity of China's development, trade and foreign policies over several decades, in contrast to the critiques of BRI that describe the initiative as a Chinese geopolitical weapon. One of the flagship studies promoting this perspective

¹⁹Vice Premier Zhang Gaoli met with President Kersti Kaljulaid of Estonia in Tallinn at invitation on April 13, 2017, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1454471.shtml.

²⁰Vice Premier Zhang Gaoli met with President Borut Pahor of Slovenia in Ljubljana when visiting Slovenia at invitation on April 14 2017, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1454468.shtml.

(Summers 2012, 2016, 2018) reviewed China's policies regarding the development of the provincial inland areas such as Yunnan and Xinjiang.

Indeed, the Belt and Road is not only a global-level initiative. It is the sum of the sub-national, national and regional projects of many countries at the global level. Tim Summers showed the Chinese provincial leaders involvement in shaping some regional integration projects, rather than the province having a special role within the PRC's participation (as in GMS), or even driving the cooperative institution itself as with BCIM, Summer argues, that the case of CAFTA shows provincial elites attempting to appropriate centrally designed policy frameworks in partial response to its own developmental imperatives (Summers 2012).

Overall, BRI is unique in nature and has many goals. It is interrelated and interwoven with China's foreign policy, trade policy and development policy. The backbone of the BRI vision and mission has been developed by the China's long development and foreign policy experience. From that perspective, it is an extension of China's regional development strategies to a global level, sharing the development experiences of China with other countries while bringing mutual economic benefits.

Furthermore, it was initiated by the provincial leaders' initiatives and lobbying. Energy security needs and the long-term strategic vision of China are strong engines and factors behind bringing the BRI to a global level, although in recent years, energy security needs has less so been brought to China's contemporary foreign policy and Belt and Road agenda. Our proposal for field studies in the area is to consider the local level factors behind the initiation of the BRI. The perception and reaction of the local people and provincial leaders through the implementation process should be studied in order to understand the contemporary shifts in BRI policy.

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