

# The "One Belt, One Road" Policy -

## History, Trends and Possibilities



Paper by Phyllis Johnson Southern African Research and Documentation Centre Harare, Zimbabwe Institute for China Africa Studies in Southern Africa



On the theme of "Sino-Zim Relations: History, Trends and Possibilities" 23 September 2015

## Vision and Actions on Jointly Building a Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road -- "Belt and Road"

This new policy was announced in March this year by President Xi Jinping of the People's Republic of China and is collectively known as "One Belt, One Road"-- or simply the "Belt and Road" policy. This is a development policy -- economic, political, security -- it is all of those things collectively, but none of those things separately, in the sense that it is a holistic vision to reach out and initiate action to jointly build a new world order that is development-oriented, with mutual prosperity as its goal, and human security at its heart.

China's vision for the **Silk Road Economic Belt and Maritime Silk Road** is expected to change the world political and economic landscape through rapid development of infrastructure and transport corridors of countries along the routes, most of which are eager for fresh growth, many of which are in a conflict situation. Beijing hopes that annual trade volumes between China and the "Belt and Road" countries will "surpass 2.5 trillion US dollars in a decade or so."

That is a very short target period, its already moving, and the emphasis is on Joint. While China is establishing mechanisms for financing, such as the Asian Infrastructure Development Bank and the BRICS New Development Bank, other countries are expected to not only contribute to their own development, but to grasp the vision.

The initiative will establish new routes linking Asia, Africa and Europe. It has two parts — a new "Silk Road economic belt" linking China to Europe that cuts through mountainous regions in Central Asia; and the "maritime Silk Road" that links China's port facilities with the African coast and than pushes up through the Suez Canal into the Mediterranean Sea.

Some experts question how China will establish security for these new routes, since many of them run through potentially dangerous areas such as Africa's coast which is subject to maritime piracy, and the "wild west" of Central Asia facing extended conflict. However, improving the economy of Central Asia is expected weaken the root cause of terrorism and help to stabilize Central Asia and the Middle East.

The routes will require logistics hubs, communication networks, airports, railway lines, modern highways, ports and a military component that allows for a rapid response to a crisis.

This policy and its action plan are based on a foundation of a long and rich **History**, with **Trends** rooted in the modern world... and endless **Possibilities** for global development and prosperity. The focus begins in the Asian neighbourhood but the History, Trends and Possibilities reach out to the African continent and beyond.



#### **OLD historical Silk Road and Maritime Belt**

### NEW Silk Road and Maritime Belt



As shown on the Map, the land-based **New Silk Road Economic Belt** begins in Xi'an' in central China before stretching west to Kazakhstan. The Silk Road then runs southwest from Central Asia to northern Iran before swinging west through Iraq, Syria, and Turkey. From Istanbul, the Silk Road heads northwest through Europe, including Bulgaria, Romania, and Germany, Netherlands, and then south to Venice, Italy — where it meets up with the equally ambitious Maritime Silk Road.

**The Maritime Silk Road** begins in the seaports of Fujian province, and passes Guangzhou and Hainan before heading south to Malaysia, to India, and across the Indian Ocean to Africa, stopping nominally in Mombasa, Kenya, and proceeding around the Horn of Africa with stops in Somalia and through the Red Sea into the Mediterranean, with a stop in Athens before meeting the land-based Silk Road in Venice, Italy.

This is not intended to be static, or dots on a map as shown here, but it is a living, dynamic vision that is mobile and absorbs local ideas, inspiration and aspirations as it develops. This is well aligned with the theme of – History, Trends and Possibilities.

## HISTORY

The **Old Silk Road** or **Silk Route** was an ancient network of trade routes by land across Asia to Europe, and by sea around south Asia and India to Africa and the Mediterranean Sea. These routes were central to cultural interaction through regions of the Asian continent connecting the West and East by merchants and traders, monks and pilgrims, explorers, soldiers, nomads, and citizens between China and other parts of the world, from 2,000 years ago, and by sea as recently as 600 hundred years.

The "Belt and Road" policy has this historical basis for implementation, for presentation and promotion. The Old Silk Road has a continuing resonance of distance travel and trade; and the New Silk Road elicits similar imagery. The policy statement begins with history, and I quote:

"More than two millennia ago the diligent and courageous people of Eurasia explored and opened up several routes of trade and cultural exchanges that linked the major civilizations of Asia, Europe and Africa, collectively called the Silk Road by later generations. Symbolizing communication and cooperation between the East and the West, the Silk Road Spirit is a historic and cultural heritage shared by all countries around the world.

It goes on and I quote: "For thousands of years, the Silk Road Spirit of 'peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit' – has been passed from generation to generation, has promoted the progress of human civilization, and contributed greatly to the prosperity and development of the countries along the Silk Road. ... China and Africa share many commonalities of a historical, geographical and demographic nature."

Zimbabwe is linked to China throughout ancient and modern history since the time of the Old Maritime Silk Road when Chinese ships arrived directly on the Mozambican coast 1,000 years ago and developed trade with Great Zimbabwe and other cities and settlements in the interior, trading in gold and other minerals, cotton and textiles, food including meat from the vast herds of cattle and produce grown locally. There was value addition even then, with cotton woven into fabric in Zimbabwe, intricate gold jewellery, and implements made of clay and iron. These were traded using a barter system, and exchanged for a range of items brought from China including but not only consumer luxury goods such as fine China porcelain.

This trading relationship was disrupted by internal developments in China that recalled their shipping fleets and eventually took them off the seas, and by the colonial period too, which impacted on the development of Africa and parts of China. The relationship resumed during China's well-known material and moral support for Zimbabwe's liberation struggle through the second *chimurenga*.

Africa's historical and economic relations with China, therefore, date back more than 600 years and could be as much as 2,000 to 3,000 years. These were resumed and consolidated in the modern era following the liberation of China in 1949 and the liberation of the African continent during the second half of the 20<sup>th</sup> century.

### TRENDS

In the 21st century, a new era marked by aspirations for peace, development, cooperation and mutual benefit, it is all the more important for us to carry on the Silk Road Spirit in face of the weak recovery of the global economy, and complex international and regional situations.

Accelerating the joint building of the Belt and Road can help the promote the economic prosperity of the countries along the Belt and Road and regional economic cooperation, strengthen political stability, exchanges and mutual learning between different civilizations, and promote world peace and development. The announcement of the "Belt and Road" policy contained a situational analysis of current global trends, as quoted here:

"Complex and profound changes are taking place in the world. The underlying impact of the international financial crisis keeps emerging; the world economy is recovering slowly, and global development is uneven; the international trade and investment landscape and rules for multilateral trade and investment are undergoing major adjustments; and countries still face big challenges to their development. The initiative to jointly build the Belt and Road, embracing the trend towards a multipolar world, economic globalization, cultural diversity and greater IT application, is designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation."

The Belt and Road are often understood primarily as infrastructure projects. Indeed, that will be the main focus in the early stages, as the lack of infrastructure has been a barrier to further economic cooperation. But there's more to the Belt and Road than simply the construction of roads, railways, and ports. China's vision to "form an infrastructure network connecting all sub-regions in Asia, and between Asia, Europe and Africa" includes **energy and communications infrastructure as well an transportation**.

China's more ambitious goal is to have countries coordinate their policies to ensure that each individual country's economic development plan feeds into a larger regional vision. That includes **free trade areas**, **both bilaterally and regionally**, **as well as broad financial integration**.

On the financial front, Beijing wants expanded bilateral currency swap deals. Funding for the Belt and Road projects will be carried out through the new **Asian Infrastructure Investment Bank (AIIB), China's own Silk Road Fund,** and eventually through a hoped-for financing mechanism administered by the **Shanghai Cooperation Organization.** The AIIB is one of the mechanisms for driving the Belt and Road initiative and has attracted investors from across Asia and Europe. Another potential financing mechanism is the New Development Bank established by the BRICS countries (Brazil, Russia, India, China and South Africa).

The Belt and Road has political overtones as well, with China using the project as a vehicle to promote its key foreign policy tenets, laid out 60 years ago in a 1954 treaty with India and Myanmar. These are the **Five Principles of Peaceful Coexistence** – "mutual respect for each other's sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence."

China plans to create "a \$16.3 billion fund ... to build and expand railways, roads and pipelines" in Chinese outlying provinces that are part of the planned Silk Road Economic Belt. The massive investments will boost economic development in China's poorer inland regions, a key goal of the Silk Road Economic Belt. If brought to fruition, the Silk Roads would boost China's trade with effectively the whole Eurasian continent, as well as Africa and Europe, and would rapidly strengthen infrastructure, trade and development in the remote regions of north-west China.

The Silk Road creates not just an economic trade route, but a community with "common interests, fate, and responsibilities." The Silk Road represents China's vision for an interdependent economic and political community stretching from East Asia to western Europe, and it's clear that China believes its principles will be the guiding force in this new community. The peace and security impact is indicative from the map, with the initiation of peaceful development to stem the conflicts in central Asia.

## POSSIBILITIES

The Belt and Road policy is described by its authors as "Reflecting the common ideals and pursuit of human societies, it is a positive endeavour to seek new models of international cooperation and global governance, and will inject new positive energy into world peace and development." I quote again:

"The Belt and Road Initiative aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries. The connectivity projects of the Initiative will help to align and coordinate the development strategies of the countries along the Belt and Road, tap market potential in this region, promote investment and consumption, create demands and job opportunities, enhance people-to-people and cultural exchanges, and mutual learning among the peoples of the relevant countries, and enable them to understand, trust and respect each other and live in harmony, peace and prosperity."

Having followed the European models of development for many decades, the Africa is yet to enjoy the promised benefits of development, and yet to effectively pull its citizens out of poverty. However, China's arrival on the global economic stage, with reforms that have enabled it to extricate the larger part of its 1.3 billion people in a record time of less than 30 years, has heightened the call for a rethink of Africa's development model. It is possible after all, to industrialize through an alternative model unique to Africa, a model that is not necessarily the same as has been championed by western proponents.

Investment and trade cooperation is a major task in building the Belt and Road. We should strive to improve investment and trade facilitation, and remove investment and trade barriers for the creation of a sound business environment within the region and in all related countries. Financial integration, emerging industries, intellectual and people-to-people cooperation remain key.

But what does it mean to us? In short, it means opportunity, especially for a private sector that is ready to grasp the vision. The investment in infrastructure generates opportunities for development at a pace previously unknown and impossible, as it requires vast financial resources and huge capital outlay. It is a business enterprise intended to return profits that benefit the participants. And it is a fresh catalyst to construct a globalized world in a new image, with trade, development and relations between equal partners. It plugs into Africa's Grand Free Trade Area approved in June 2015, that has the capacity to transform 26 countries, the eastern half of Africa, into a prosperous open area for trade and development.

A Zimbabwean scholar, Clayton Vhumbunu, says the success of China's industrial development can be attributed to gradual and strategic economic liberalization, an effective policy of foreign direct investment, incentives to both private and public sector enterprises, strategy of internationalization for state-owned enterprises, research and development, and dynamic state institutions for policy guidance. (Vhumbunu, 2013).

The SARDC Executive Director, Munetsi Madakufamba, goes deeper in a paper about China-Africa economic relations (Madakufamba, 2014), and says that an increasing number of scholars counter the view that harmony returned to the former colonies in Africa with the attainment of political independence. One such critic whom he quotes (Grosfoguel, 2011), argues as follows:

"One of the most powerful myths of the 20<sup>th</sup>century was the notion that the elimination of colonial administrations amounted to the decolonization of the world. This led to the myth of a 'postcolonial' world. The heterogeneous and multiple global structures put in place over a period of 450 years did not evaporate with the juridical-political decolonization of the periphery over the past 50 years. We continue to live under the same 'colonial power matrix.' With juridical-political decolonization we moved from a period of 'global colonialism' to the current period of 'global coloniality'."

The well-known Kenyan author, Ngugi wa Thi'ongo addressed the same theme, and he summed it up in a phrase, in a fact in a book title – *Decolonizing the Mind*. The mindset in Zimbabwe and elsewhere in Southern Africa continues to look north to Europe for salvation, rather than looking, first at home, and then the continent, and towards long-time partners in Asia ... along the Belt and Road.

With that approach, the possibilities are as endless as imagination, and can be used to share and promote History, Culture, Investment, and Trade.

## CONCLUSION

The country of China with 1.3 billion people and the continent of Africa with almost the same population are resource rich, technology oriented, and swelling with possibilities. The relationship with China stimulates us to look at ourselves in southern Africa, and say, well, why can't we do that? Why can't we reach out to build our part of this initiative? It is not only a Chinese policy but a global policy.

The current need is to review and analyse this policy of "one belt, one road" and put it into a local context to develop a strategy for how best to benefit from the policy, but also how to contribute to jointly building the African dimension of the Silk Road Economic Belt and the Maritime Silk Road. ~~~~~

#### SELECTED REFERENCES

Government of China. 2015. Visions and Actions on Jointly Building Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road. Beijing, 28 March 2015 <u>www.china.gov</u>

Grosfoguel R. 2011. Decolonizing Post-Colonial Studies and Paradigms of Political-Economy: Transmodernity, Decolonial Thinking, and Global Coloniality, in*Transmodernity: Journal of Peripheral Cultural Production of Luso-Hispanic World*. www.escholarship.org

Johnson, Phyllis. (2012). *New Dimensions for African Unity, Integration and Development: Sharing the Chinese Experience*, SARDC Institute for China Africa Studies in Southern Africa, (unpublished) paper presented at the China Africa Think Tanks Forum (CATTF II), Ethiopia, 12-13 October 2012.

Madakufamba, M. SARDC 2014.Prospects and Challenges of Industrial Development in Southern Africa – Lessons from Chinese Experience in Special Economic Zones. Paper presented at the International Seminar on Industrialization in Africa, organized by the African Studies Centre of Shanghai Normal University. Shanghai www.sardc.net

Vhumbunu, Clayton. 2013. Drawing Lessons for African Integration from Accelerated Development in China. Keynote paper for the 7<sup>th</sup> Symposium on China-Africa and China-Zimbabwe Relations, organized by SARDC Institute for China Africa Studies in Southern Africa.

Yiming, Y., et al. 2011. The Development of the Shenzhen Special Economic Zone in China. In *The China Monitor Issue 65*. www.ccs.org.za