The land-based component of China’s Belt and Road Initiative is starting to take shape, but the infrastructure along this new Silk Road is proving to be much more than a Chinese-only initiative.

On either side of the Akhurian River, the stretch of water that separates Turkey from Armenia, stand two stone abutments. The single arch that once spanned this 30-metre width of the river has long since disappeared leaving only the pillars and their long shadows. The surrounding shrubbery has closed in on the 14th century road that weaves its way up the sides of the ravine, leaving little evidence of what was once a thriving portal to one of the greatest cities of the medieval period – Ani.

Peering down at this broken bridge from the edge of the citadel of Ani, now in modern-day Turkey, offers a glimpse into millennia-old aspirations of connectivity, communication and trade across different lands. These are some of the same aims that China’s Belt and Road Initiative (BRI), along with its associated infrastructural efforts, seeks to achieve by building new links across Eurasia.

The BRI is an international development strategy encompassing the Silk Road Economic Belt, a collection of land-based economic corridors spanning Eurasia, and a Maritime Silk Road focused on the economies of the Indian Ocean’s coastal regions. It is predicted to cost as much as $8trillion with an estimated, and auspicious, completion date of 2049, coinciding with the People’s Republic of China’s 100th anniversary and the year by which China wants to become a fully developed nation.

Currently encompassing 84 countries that account collectively for over half the global population and more than a quarter of international GDP, it is the most ambitious economic strategy in recent history. At its core is an effort to utilise Chinese financing, companies and labour to construct hard infrastructure – ports, railways, roads, pipelines, electricity lines and...
industrial developments – across Eurasia, and, as of late, west Africa and Latin America as well. The nebulous and flexible nature of this already five-year-old initiative has encouraged much discussion as to its underlying motives. Many have adopted a reductionist attitude to an arguably geo-economic project; some regard it as an attempt by China to take over from the US as global hegemon; while others, such as Wang Shengxin, CEO of one of Georgia’s largest foreign investors, the Huating Group, conceive it as trying to construct a ‘community of common destinies.’

AT HOME IN EASTERN EUROPE

China’s involvement and investment in foreign infrastructure projects has grown substantially over the past five years. At the Port of Piraeus in Greece, China Ocean Shipping Company (COSCO), a state-owned operation that has acquired a 51 per cent stake in the port, is investing over €350 million in upgrading its infrastructure and developing the terminal’s capacity. The aim is to convert the port into a major gateway for Chinese commerce into Europe. As Plamen Tonchev, head of the Asia unit at the Institute of International Economic Relations in Athens says: ‘Through Greece, the Chinese are targeting a much larger market in the Balkans and, above all, in central and western Europe.’ In the eastern Mediterranean, China is also expanding its footprint. Outside of Istanbul, at Vama, a Chinese consortium has purchased a majority stake in the third largest container terminal in Turkey. The goal is to produce synergies and deepen cooperation with the Port of Piraeus. To further this aim it has employed Chinese businessman Jan Zhang as COO. He moved to the area eight months ago to act as liaison between China and the project. This situation is replicated in Belarus where China is establishing the China-Belarus Great Stone Park (the largest industrial park in Europe), in Montenegro a significant impact on the future of the Western world. A small group of researchers were interested in understanding whether the superpower’s claims of refashioning the historic Silk Roads are a reality or simple rhetoric. To find out, they planned to travel some of its land-based corridors to observe the extent of the new connections being forged across Europe and Asia.

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THE NEW SILK ROAD PROJECT

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THE MARITIME ROAD

Running in tandem with China’s Silk Road Economic Belt is the ocean-going Maritime Silk Road. While the maritime road does not fuel the imagination as vividly as the recreation of millennia-old trading routes, it is a vital part of China’s Belt and Road strategy. China is fast exporting its domestic industrial capacity through its foreign policy to the Indo-Pacific region. In doing so it aims to ascend the global value chains, further its soft power, and expand its military footprint in order to secure its new economic corridors. As Tristan Kenderdine, research director at political risk firm Future Risk says: ‘If you want to understand China’s Belt and Road Initiative start at the ocean rims, particularly around the Indian Ocean. I think that is the more important aspect of the Belt and Road policy.’ Key developments include the $2 billion Chinese investment into Gwadar port city at the end of its $62 billion China-Pakistan Economic Corridor and Hambantota Port in Sri Lanka. The latter was taken over by a Chinese state-run conglomerate in December 2017, leading some government critics to denounce the move as an erosion of national sovereignty.

Some regard it as an attempt by China to take over from the US as global hegemon.
Khorgos Gateway

Khorgos Gateway is key to the new Silk Road. According to Wade Shepard, a journalist who travelled the network for three years: ‘If you go back to satellite images four or five years ago there was literally nothing but desert and mountains at Khorgos. With BRI there is the political willing and economic might to make this place a reality’. Khorgos sits at one of the most remote and unpopulated parts of the planet, on the Kazakh-Chinese border. Consisting of a dry port, a several hundred-hectare special economic zone, a city and a cross-border free trade zone it has come to represent an era of unrivaled economic connectivity and transcontinental trade.

Anaklia

Stationed in the middle of China’s Silk Road Economic Belt this Georgian seaside town is being developed into a deep-sea port and special economic zone. Due to receive its first vessels in 2020, the developers want the port to become an important node in Eurasia’s overland trade network, one that will facilitate a more direct freight route from China to Europe through the South Caucasus. Attempts to establish such a trade hub have been recorded since 1974, all to no avail. The work marks a new chapter in Georgian history, one where the localization of the Megrelian people (an ethnic subgroup of Georgians) will finally collide with a new globalisation.

The Port of Piraeus

Partly acquired by China’s COSCO Shipping in 2016, the Port of Piraeus in Greece is beginning to function as one of China’s major commercial gateways into southern and central Europe. Situated at the point where the Maritime Silk Road meets the land-based Silk Road Economic Belt the port is strategically positioned to carry-out the trade-related aspects of the BRI. Lauded as an example of ‘win-win cooperation’ for both China and Greece, it is hoped that after years of inefficiency and stagnation at Piraeus, Chinese involvement will galvanise the fortunes of both the port and the surrounding area.

Train Spotting

Accompanying the emergence of these hubs and transport links is a rise in the volume of goods carried between China and Europe by rail. If these train terminals are the caravanserais of the new Silk Road then the trains are the camels. ‘Last year alone 300,000 containers have moved through the different Belt and Road corridors’, says Levon Akhvlediani, CEO of Anaklia Development Consortium, the group responsible for constructing a BRI port at the Georgian seaside town of Anaklia. This increased trade means that subsidies from China’s regional governments, which have been supporting these routes up until now, are becoming less necessary. Khorgos Gateway, located on the Kazakh-Chinese border is the BRI’s poster-boy project and a good example of this phenomenon. Its dry port, which connects Kazakhstan to China by rail, has seen a two-fold increase in its container volumes from 2016 to 2017. This is only likely to increase which is remarkable considering ‘ten years ago nobody would have believed there would be such a volume of traffic on the Belt and Road lane’, according to Vikas Saxena, head of rail freight, China at DHL Global Forwarding.

In January 2018, the first fixed-rate, 12-month contracts were signed with freight forwarders for shipping from China to Europe via rail in Kazakhstan, Russia and Belarus. This now makes it possible for customers to accurately plan ahead, making this northern route even more appealing as an alternative to sea freight.

A Change in Direction

Nearly 75 years ago Friedrich Hayek wrote in _The Road to Serfdom_ that ‘for over 200 years English ideas had been spreading eastward. Now, with the increasing flow of Chinese commerce and investment westward it is the authoritarian capitalism and collective conformity of China rather than the laissez-faire capitalism and individual liberties of thinkers such as Hayek that will play an increasingly prominent role in Eurasia in the decades to come. The Silk Road of the future will gravitate towards concentrations of people and industry and not to the tracks of the past. It will develop faster and move more quickly. This network is not being built by one country or one single initiative. In many ways it still consists of a collection of regional links. Perhaps with time it will coalesce into a truly international network.’

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Kazakhstan, which is being funded by the ADB, and the Kazakhstan section of the 8,000km Western Europe-Western China Highway, which is majority funded by the World Bank.

A similar story emerges in Turkey and the South Caucasus. Here, much of the development is not formally part of the BRI, but fits into the new network. In Turkey, the Istanbul-Ankara high-speed line, owned by Turkish State Railways, was built by a Chinese-Turkish consortium. The hope is that the line, along with the newly completed Ankara-Sivas line, will result in the flow of transcontinental trade through this region and Chinese investment in other projects. The flagship Kars-Tbilisi-Baku line, heralded by some press outlets as a direct component of BRI actually has no formal part of the correlated Trans-Caspian International Transport Route. This points to several realities. First there’s the general effervescence in political and business circles that has been produced by Chinese initiatives in these regions. There’s also a perceived alignment of motives between separate projects though in reality, despite the international implications of the BRI, it remains regional in scope.

As a result, viewing the BRI as synonymous with an attempt to revive the ancient Silk Road, dominated by China, would be incorrect. It will only be through true international cooperation that the goal of forming a cross-border free trade zone it has come to represent an era of unrivaled economic connectivity and transcontinental trade.