The Silk Road Renaissance and New Potential of the Russian-Chinese Partnership

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Abstract: The similarity between the Russian and Chinese stances in international politics is driving their strategic partnership. Cooperation in building international transport corridors across Central Asia can make their economies stronger and the region safer. This article presents the main reasons for China and Russia to develop their transport corridors, details of the various international transport corridor projects of other global powers in Central Asia, and the prospects for cooperation in this sphere. Recently China has encountered a slowdown in its economic growth whereby Chinese goods become more expensive, thus impairing their main competitive advantage — low price. This prospect highlights a need to explore strategies to make transportation of goods more

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efficient. For the Russian government, even in times of economic sanctions and crisis, development of transport infrastructure such as the Moscow-Kazan high-speed railway is a high priority, which is expected not only to return financial results, but also to have positive effects on demography, population mobility, job creation, as well as foster new opportunities for local small- and medium-sized businesses. While both Russia and China are well aware of the economic reasons for developing transport corridors in the region, each has its own tertiary ambitions which are not yet quite clear. Trans-Russian transport corridors are twice more efficient than Trans-Caucasian or Trans-Turkish ones, and China's "Silk Road Economic Belt" initiative will be more effective with Russia. Previously suspicious about the advancement of other great powers in Central Asia, Russia has been awakened by the greatest Eurasian transport project under development, the "Silk Road Economic Belt," with particular regard to the opportunities of the project, as well as the risks of non-participation. Transport corridors may have great effects on the regional order in Central Asia and are of tremendous strategic impact. Both Russia and China are interested in building transport corridors and strengthening their positions in Central Asia. To prevent rivalry between Russia and China for transport corridors and cooperation with Central Asian countries, both countries must understand each other's goals and fears. With good management, cooperation in transport corridors can bring both countries great benefits.

Keywords: Transport corridor; Chinese-Russian cooperation; "Silk Road Economic Belt"; Central Asia; TRACECA.

The process of globalization that is sweeping much of the world today is most closely associated with the development of international transport infrastructure. Simultaneously, market forces are driving a greater pace of integration and international cooperation, forcing countries to meet tighter time and efficiency requirements. This explains the appearance of international transport corridors (ITC), high-speed trunk roads, and other innovations that are based on the latest achievements of science and technology. In this context, the main objective is the integration of national transport routes into a single international system.

This international focus is associated with the gradual weakening of Russia's monopolistic position and the increase of Chinese influence in the

regional transit market in Eurasia, leading to competing ITC projects from the EU, the U.S., and minor but still important players in the “big political game” of transport corridors in Central Asia, such as Kazakhstan, Turkey, Japan, Iran, and India.

The completion of transport corridor projects in Central Asia may prove to be the biggest economic and geo-political events in the region in recent times. These corridor projects along the so-called “Silk Road” are becoming a key focus of attention for great powers, due to their overlapping and competing national interests.

New Drivers of Power Game in Central Eurasia

In the coming years, the most powerful drivers for the expansion of transcontinental Eurasian trade will be the rapid growth of the Indian and Chinese economies. To date, most Chinese and Indian exports are shipped by sea, but the anticipated, continued growth of such exports will increase demand for the development and efficiency of transcontinental road, rail, and shipping routes. Geographically, much of the produce of Western China lends itself to the maritime routes despite the slow nature of transcontinental shipping; 83 percent of China’s oil imports and global trade worth an estimated US\$5.3 trillion each year passes through the South China Sea. There is a risk of conflict in the South China Sea between China, Vietnam, Malaysia, Brunei, and the Philippines due to their competing territorial and jurisdictional claims. To secure the

transportation of export goods, China is launching the “One Belt and One Road” initiatives.

Economically, Russia and Central Asian states benefit a lot from the increasing transit trade.

Meanwhile, realistic estimates for overland trade from India through Central Asia are already exceeding US\$100 billion in 2015 alone. Russia and its neighboring Central Asian countries stand to benefit immensely from this increase in overland trade through

the collection of tariffs and the growing role of their own transit-related industries.

After two decades of rapid growth, China’s economy is set to grow more slowly. As recently announced, China grew only 7.4 percent in

2014, marking its lowest rate in 24 years. The new challenge is economic rebalancing. Partly, China wants to rebalance its economy by launching the "One Road and One Belt" initiatives that consist of a network of both land and sea routes. The land route, the "Silk Road Economic Belt," is planned to traverse Eurasia using three sub-routes (north, middle, and south). The sea route, the "21st-Century Maritime Silk Road," will extend from Eastern China to Southeast Asia, East Africa, the Middle East, and Europe. In order to improve the infrastructure along these Silk Road routes, China will not only contribute US\$40 billion to set up a Silk Road Fund, but also provide about 26 percent of the total capital (US\$100 billion) to establish the Asian Infrastructure Investment Bank (AIIB).

According to the Transport Strategy of Russia, until 2030, the transport sphere is seen as a priority growth point of Russia's national economy.¹ One of the most promising ways of implementing this initiative is the integration of the transport system of Russia in the Eurasian transport space. Russia has sought to become a founding member of the Asian Infrastructure Investment Bank, analogous of the World Bank, the International Monetary Fund, and the Asian Development Bank (ADB). In May 2015, the Russian government and the Chinese government signed a series of contracts worth US\$25 billion, including joint investment in the construction of a high-speed railway linking Moscow with Kazan, connecting Russia to China's "Silk Road Economic Belt" project.

The impact of this high-speed railway upon the Russian economy is great, especially in times of crisis: it will create 300,000 jobs, increase mobility of the population, raise living standards, and give a boost for small- and medium-sized businesses. Despite this, there is skepticism in Russia around the lack of its own trans-Eurasian transport corridor project and the potential decrease in significance of the Trans-Siberian railway. There are also concerns that Russia and China will hold negotiations to come to a consensus over the choice of technology for use in construction of the high-speed railway. Russian market is enticing to China, but for Russia it is important to support its own industry and producers. However, signing the

¹Transport Strategy of Russian Federation until 2030, Ministry of Transport, No. 1734-p, September 2008, http://www.mintrans.ru/upload/iblock/3cc/ts_proekt_16102008.pdf.

investment contracts in construction shows that increased collaboration between the states has net benefits on both sides.

Despite domestic skepticism, the Russian government is determined to construct a high-speed railway connecting to China's New Silk Road.

Both the EU and the U.S. want to increase their influence in Central Asia and decrease the influence of Russia and China.² Hence in 1993, the EU launched its TRACECA (Transport Corridor Europe-Caucasus-Asia) project to connect Europe with the Caucasian and Central Asian states. The EU is interested in building closer ties with Caucasian and Central Asian countries through their transport corridor project, but this project is widely viewed as inefficient and lacking in scope. The TRACECA orga-

nization website itself presents research conducted in 2011 comparing the Trans-Turkish, Trans-Caucasian, and Trans-Russian routes by four criteria: time, cost, reliability, and security. The Trans-Russian route was the most attractive by all criteria. Moreover, this route was over-indexed ahead of the others by 200 to 300 percent. It is indicative that Russia has not been invited to participate in the TRACECA, because the EU sees transport corridors as an instrument of political influence in the region.

By contrast, the U.S. version of the "New Silk Road" project aims at linking South Asia to Central Asia via Afghanistan. The project envisages the creation of a transcontinental trading network linking Afghanistan, Central Asia, and Europe.³ Many American experts believe that this project can help in Afghanistan's development following the withdrawal of NATO combat forces in 2014. The formation of an American Central Asian ITC project is of great importance to the U.S.' geo-political strategy. For America to remain as the world leader, many see that it needs to win in a "Great

²NATO's Partnership with Central Asia 155 PCNP 13 E bis — Report of the Subcommittee on NATO Partnerships. Rapporteur: Daniel Bacquelaine, <http://www.nato-pa.int/Default.asp?SHORTCUT=3212#PC>

³S. Frederick Starr and Andrew C. Kuchins, *The Key to Success in Afghanistan: A Modern Silk Road Strategy*, Central Asia-Caucasus Institute Silk Road Studies Program, (Washington D.C.: Paul H. Nitze School of Advanced International Studies, 2010).

Game” in Eurasia, and the American ITC project — “New Silk Road” is a key to its success.

It is important to determine the characteristics of the transport interests of Russia and China and to discuss the EU and the U.S. interests, revealing the degree of coincidence or mismatch of these interests. The crisis in Ukraine and the deterioration in relations with the West have turned Russia’s polarity eastward, specifically toward Russian-Chinese cooperation. This was highlighted by the recent record-breaking gas contract between the two nations signed on November 9, 2014, worth US\$400 billion, and which is supposed to reduce the effects of Western sanctions on the Russian economy and give China resources for further development.

Many in Russia now see China as their key strategic ally and economic partner as both countries share similar security outlooks. China’s share of global commodity trade increased from less than 1 percent in 1978 to 12 percent in 2012, allowing it to surpass the U.S. as the world’s largest trading nation.

Russia’s geography alone has the benefit of providing a single nation trans-Eurasian corridor and undoubtedly, Russia will continue to build up and upgrade its own internal transport infrastructure regardless of Sino-Russian cooperation. It is of great importance to Russian internal policy to bring economic development to its outlying regions and as such, transport is high on its political agenda. It may also indeed develop and expand its own ITC projects. Regardless of the level of collaboration, Russia already has the best Trans-Eurasian transit opportunities and shall continue to play a significant role in building transport corridors with North and South Korea, Japan, Iran, Turkey, India, and of course China. China and Russia should be ready for the possibility that their respective or even combined projects will not be welcomed by other forces in Central Asia, mainly the European Union and the United States.

The U.S. and Its “New Silk Road” Initiative

With the withdrawal of its troops from Afghanistan, the U.S. needs to rebalance its policy in the Central Asian region. The basic of this rebalanced policy is to strive for an era of cooperation with the Central Asian Republics in a broader sense.

According to U.S. thinking, Afghanistan's economic and political viability can be achieved by opening up to the world market via South Asian connectivity.⁴ But in doing so, the U.S. recognizes the significance of linkage with the Central Asian region as well. In its "New Silk Road" concept, the United States envisions a larger role for the Central Asian Republics. The areas identified for facilitating that role are construction and expansion of infrastructure, energy transmission lines, roads, railways, pipelines, and fiber optic links. The U.S. is interested in opening up Central Asia to the South Asian markets in pro-American countries. Washington is conscious of the significance of India's role in making the "New Silk Road" a success. The democratic political arrangement of India and India's expanding economy are two positive elements the U.S. values for closer cooperation with India in South Asia.⁵

A transport corridor linking South Asia to Central Asia is seen as the U.S.' version of a "New Silk Road" to help it win the "Great Game" in Eurasia.

The concept of a "New Silk Road" began to be taken more seriously after Hillary Clinton's visit to Central Asia in September 2011. In 2006, the U.S. State Department reorganized and created a new bureau for South and Central Asian affairs that demonstrated its intentions.⁶ One of the most promising ways forward for the U.S. and NATO in Afghanistan is to focus on removing the impediments to continental transport and trade across Afghanistan's territory by completing trans-Afghan rail

lines linking Europe and Asia, the Afghan Ring Road, and Kabul Heart highway, linking them to continental trunk routes, and especially to the Pakistani port of Gwadar. The Government of Afghanistan affirmed in 2007 its commitment to a transport-based national strategy. Such a strategy

⁴John Kerry, "Remarks at the London Conference on Afghanistan," December 4, 2014, <http://www.state.gov/secretary/remarks/2014/12/234679.htm>.

⁵Srinath Raghavan, "Stability in Southern Asia: Indian Perspective," in Ashley J. Tellis and Sean Mirski, eds., *Crux of Asia. China, India, and the Emerging Global Order* (Washington D.C.: Carnegie Endowment for International Peace, 2013), pp. 135–145.

⁶Nicklas Norling and Niklas Swanström, "The Virtues and Potential Gains of Continental Trade in Eurasia," *Asian Survey*, Vol. 47, No. 3 (May/June 2007), pp. 351–373.

re-establishes Afghanistan's traditional role as a hub of transport and trade linking Europe and the Middle East with the Indian sub-continent and all South and Southeast Asia.

Some US\$22 billion is being spent in Central Asia alone. The Asian Development Bank and the World Bank are the most significant international financial institutions involved in trade and transport development. Between 2004 and 2009, the ADB approved US\$3.488 billion for transport projects in Central and West Asia. The World Bank invested US\$5.329 billion in transport projects across the same set of countries over the same period. Between 2002 and 2009, the U.S., through USAID, spent US\$1.8 billion to redevelop 635 km of the Afghan Ring Road and 2,700 km of other roads linking primary and secondary markets. Other contributors to Afghanistan's road network include Iran (which spent a total of US\$220 million on Afghan roads), India, Japan, and Saudi Arabia, among others. The U.S. also built the large bridge connecting Afghanistan and Tajikistan.⁷

The ADB, which has invested US\$600 million on roads in Afghanistan, believes the completed Ring Road will cut travel time between the Northeast and Southwest by up to five hours.⁸ One USAID study suggests that savings derived from improved transportation infrastructure could reach 60 percent of present transport costs.

With the announcement of the "New Silk Road" strategy, the U.S. drew global attention to the various ongoing initiatives aiming to promote trade, economic cooperation, and development in Central Asia and in other countries located along the path of the ancient Silk Road. Such a shift in U.S. policy in the Central Asia region from a security-oriented approach to a new trade-driven and economy-oriented approach can become a turning point that empowers other ongoing national and international initiatives, such as those launched by Turkey, Kazakhstan, and Turkmenistan, as well as TRACECA and Central Asia Regional Economic Cooperation (CAREC).

The United States' "New Silk Road" initiative is focused on Afghanistan as a main hub for economic integration and transportation. It

⁷S. Frederick Starr and Andrew C. Kuchins, "The Key to Success in Afghanistan: A Modern Silk Road Strategy."

⁸Ibid.

is expected that the Silk Road initiative would help to provide the much-needed support to Afghanistan after the withdrawal of U.S. troops.⁹

Taking into account the weak regional cooperation and enduring competition among the Central Asian states, conducting bilateral meetings in private, from the standpoint of neighboring states, produces doubt on the “New Silk Road” strategy and deteriorates trust among governments in the region. The “New Silk Road” strategy also has a political dimension, namely the promotion of democratic norms, values, and human rights. As it is said in the Silk Road Strategy Act of 1999:

United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence as well as democracy building, free market policies, human rights, and regional economic integration of the countries of the South Caucasus and Central Asia.¹⁰

For obvious political reasons, Iran, despite its location, convenient trade routes, and influence in the region, has been completely left out of the “New Silk Road” strategy. This Act facilitates U.S. investment in the EU’s TRACECA project for infrastructure development, border controls, and other imperatives for the project.

The EU’s TRACECA and Japan’s Engagement

The EU’s Transport Corridor Europe-Caucasus-Asia (TRACECA) project is supposed to connect Central Asia with Europe by a railway and to become the shortest way from China to Southern and Central Europe and the Persian Gulf linking the Chinese port of Lianyungang on the Yellow Sea to the Georgian ports of Poti and Batumi on the Black Sea and then on into Western Europe.

The TRACECA Program was created on the occasion of the Brussels Conference on May 3, 1993, with the participation of the Ministers of

⁹Vladimir Fedorenko, “The New Silk Road Initiatives in Central Asia,” Rethink Paper 10 (Washington D.C.: Rethink Institute, 2013), pp. 4–9.

¹⁰The Silk Road Strategy Act of 1999, <https://www.eso.org/gen-fac/pubs/astclim/espas/maidanak/silkroad.html>.

Transport and Trade from eight states, five of them from Central Asia: the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, the Republic of Turkmenistan and the Republic of Uzbekistan, and three other states from the Caucasus region: the Republic of Armenia, the Republic of Azerbaijan and Georgia. During the Conference, an agreement was signed for the implementation of the Technical Assistance Program, financed by the European Union, for the development of a transport corridor on a west-east axis from Europe, across the Black Sea, through the Caucasus and the Caspian Sea to Central Asia.

The EU countries finance the project, as it will link the Eurasian transport corridor with European and world transport systems. The first investors to join the project were the European Bank for Reconstruction and Development (EBRD) and the World Bank. The Islam Development Bank (IDB) and the Asian Development Bank joined later. Today the participants of this program are: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Iran, Moldova, Romania, Turkey, Ukraine, Uzbekistan, Tajikistan, and Turkmenistan. Japan is participating in the project implementation through the ADB.

The EU aims to connect Western Europe and China by a railway through Central Asia and the Black Sea.

On October 29, 2013, the Trans-Eurasian undersea rail tunnel was opened to traffic, the tunnel runs through the Bosphorus Strait, theoretically creating the possibility of traveling to Beijing from London via Istanbul. But this is only a theoretical possibility; the crux of the real passage lies in the opening of the Caspian Sea undersea tunnel. For example, in 1999, the China-Kyrgyzstan railway line, which was under discussion among China, Kyrgyzstan, and Uzbekistan, needed only 577 km to integrate the rail network in Xinjiang with the TRACECA. According to experts, this constitutes the optimal cost-efficient line.¹¹

¹¹Pan Zhiping, "Silk Road Economic Belt: A Dynamic New Concept for Geopolitics in Central Asia," China Institute of International Studies, 2014, http://www.ciis.org.cn/english/2014-09/18/content_7243440.htm.

The Japanese government has also developed a special program for reviving the Silk Road trade route.¹² Though Japan is more interested in cooperation with Russia within transport corridors, wide scale cooperation in that sphere did not appear because of the territorial dispute over the Kurile Islands. According to Kazuo Ogura, Director-General of the Economic Affairs Bureau, "There is a limit to the extent to which (Japan) can cooperate with Russia" in light of the territorial dispute between the two countries.¹³ With Russia and Japan disagreeing over territorial issues, officials considered it easier for Japan to focus its policies on the Central Asian republics, as there would be less political baggage in its new engagement with these states. Japanese officials also admitted that aid to Central Asia was intended to show Russia that more funds could be forthcoming if they agreed to hand back the Kurile Islands to Japan.¹⁴ The Organization for Economic Cooperation and Development (OECD), under strong lobbying by Japan, agreed to include the five Central Asian republics under the Official Development Assistance (ODA) program, certifying them as developing countries. This enabled Japan to register aid to the region as official development aid. Japan also pushed for the Central Asian republics to be admitted into the ADB even though they were already members of the European Bank for Reconstruction and Development. This allowed the Central Asian republics to draw credit from both banks, an unprecedented arrangement.¹⁵ As the TRACECA project does not include Russia, it forms an alternative transport corridor with Iran and India.

Russia's ITC Projects

Russian ITC corridors include the pan-European corridor, the Trans-Siberian railway, and the North-South corridor, Primorye 1 and Primorye 2. Besides, Russia is also cooperating with China to build a transcontinental

¹²Teimuraz Gorshkov and George Bagaturia, "TRACECA—Restoration of Silk Route," *Japan Railway & Transport Review*, No. 28 (September 2001), p. 144.

¹³*Ibid.*, p. 53.

¹⁴Christopher Len, "Japan's Central Asian Diplomacy: Motivations, Implications and Prospects for the Region," *China and Eurasia Forum Quarterly*, Vol. 3, No. 3 (November 2005), p. 130.

¹⁵*Ibid.*, p. 133.

corridor between Western China and Europe that goes through Russia and Kazakhstan.

In 2000, Russia, Iran, and India signed an agreement in St. Petersburg laying out a vision for a North-South Transport Corridor. The corridor stretches from ports in India across the Arabian Sea to the southern Iranian port of Bandar Abbas, where goods then transit via Iran and the Caspian Sea to ports in Russia's sector of the Caspian.¹⁶ From there, the route stretches along the Volga River via Moscow to Northern Europe. Analysts indicate that Indian cargo transported via this route has increased dramatically over the past year, reversing the dramatic decline of the 1990s. The revived route is expected to offer both quicker and cheaper transportation than the primary alternative — the shipment of goods from South Asia through the Mediterranean and Suez Canal and then into the Atlantic and North Sea to Baltic ports. Russian analysts predict that delivery time using the North-South Corridor will be reduced anywhere from 10 to 20 days, and the cost per container will decrease by US\$400 to US\$500.

The North-South Transport Corridor is making strides toward achieving a new framework. This project has the potential to incorporate other interested states, including countries of the Caucasus, Central Asia, Eastern Europe, and perhaps also Oman.¹⁷

Central Asian countries — Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan, and Tajikistan — are all landlocked, and Uzbekistan has only landlocked neighbors too. Rails and roads are the only surface transport options in these countries. Road transport offers little hope because the roads are in poor condition and there are few trucks. Therefore, the railways of the region have played a major role in transportation, carrying

Russia is building or upgrading the pan-European, North-South and transcontinental corridors mainly for economic purposes.

¹⁶Inland Transport Committee of the United Nations Economic Commission for Europe, "Euro-Asian Transport Links," UN Economic and Social Council, August 12, 2004, p. 7.

¹⁷Regine A. Spector, "The North-South Transport Corridor," Central Asia-Caucasus Analyst, July 2002, <http://www.brookings.edu/research/articles/2002/07/03russia-spector>.

almost 90 percent of all surface freight. After the collapse of the USSR, the railway network started developing in an east-west way. Before that, there were mostly north-south lines, connecting with Moscow. Development of east-west railways linked Central Asian countries to China in the east and Iran in the Southwest.

The four main lines of Central Asia have a general north-south orientation. Two connect with the Trans-Siberian railroad in the north, and the other two converge in Moscow. The network between express trains that links Moscow with Central Asian capitals is sometimes called the Eurasian railway. Even after independence, the connections between Russia and the five nations of Central Asia are still better than the connections between the nations, reflecting the pattern of demand.¹⁸ Because countries of the former Soviet Union use the broad gauge of 1,520 mm while most neighboring countries use the standard gauge 1,435 mm, trains crossing from China and Iran into Kazakhstan, and Turkmenistan must change bogies. This is impractical for freight such as liquids, frozen goods and hazardous materials, so the wagon bogies are changed in these cases. The gauge is one of the biggest obstacles to the growth of transit goods in Central Asian countries.

There are two railways that link Europe with Asia — the Silk Railway through Central Asia, and Trans-Siberian in the north. An added burden of the Silk Railway is that it crosses many customs borders of Central Asian countries, while the Trans-Siberian does not cross any border until it reaches European countries beyond Russia. However, Russia's Far Eastern ports — Vladivostok, Vostochny, Nakhodka — suffer from very dilapidated infrastructure at railyards adjacent to port facilities, causing huge freight backlogs. Trans-Siberian freight volumes are only 25 percent of their maximum. Talks have been held to explore the possibility of Japan's provision of assistance to improve transport operations on the line. Though the route from Japan to Rotterdam via Central Asia is about 1,000 km shorter than the route via Vladivostok and the Trans-Siberian railway, Russia opts not to use such transport corridors so as to maintain its political influence and to attract countries in participation in the Eurasian Economic Union. The North-South ITC seeks to bring participating countries economic

¹⁸Shigeru Otsuka, "Central Asia's Rail Network and Eurasian Land Bridge," *Japan Railway & Transport Review*, No. 28 (September 2001), pp. 48–49.

benefits. Primorye 1 and Primorye 2 will connect Chinese provinces with Russian Pacific ports, which will benefit both countries. In other words, unlike the U.S. and the EU, Russia does not link its ITC projects with politics.

China's "Silk Road Economic Belt"

The Chinese project "Silk Road Economic Belt" is also different from the U.S. and the EU projects. It is based on the creation of three main corridors across the Eurasian continent, called the "Eurasian Land Bridge," which will serve as the "main artery" from which offshoots consisting of railways, highways, and pipelines will be built.

In the "One Belt and One Road" initiative, no political conditions have been imposed on participants in the Silk Road frameworks. China has always advocated that countries should respect each other's rights to independently choose their own social system and development path.

Though China sees it as three main corridors across the Eurasian continent, the "Silk Road Economic Belt" has hardly taken any concrete shape yet. According to China's published blueprint, the first corridor can go through the existing Trans-Siberian railway running from Vladivostok in Eastern Russia to Moscow and onward to Western Europe and Rotterdam; the second can run from Lianyungang port in Eastern China through Kazakhstan in Central Asia and on to Rotterdam; and the third can run from the Pearl River Delta in Southeast China through South Asia to Rotterdam.¹⁹

The New Silk Road initiative is crucial to China's economic leadership in Asia.

China has announced a US\$46 billion investment plan on a China-Pakistan Economic Corridor that will give China access to the Persian Gulf through the Pakistani port of Gwadar. Also the Bangladesh-China-India-Myanmar Economic Corridor is closely related to the "Silk Road Economic Belt" project.

¹⁹Tridivesh Maini, "The 'New Silk Road': India's Pivotal Role," *Strategic Analysis*, Vol. 36, No. 4 (July/August 2012), pp. 651–656.

In addition, China and Turkey have agreed to build a roughly 7,000-km rail route connecting the largest cities of Turkey. The construction is well underway and is expected to be ready by 2023. In February 2013, China approved the construction of a new railroad from China to Kyrgyzstan and Uzbekistan. There are also plans to convert the track gauge size of Kyrgyzstan's railways from Russian (1,520 mm) to international standards (1,435 mm) in order to make connections with China, Turkey, and Iran faster and more convenient.²⁰

At present, China cannot fully secure the long, vulnerable maritime supply lines to Africa, Latin America or the Middle East. Various experts have argued that new corridors to Southern and Central Asia will be helpful in diminishing China's reliance on the narrow, pirate-infested Straits of Malacca or the Indian Ocean, controlled by the Indian and U.S. navies.

A regional transportation network is seen as an important contribution to China's economic leadership in Asia, helping China diversify its supply lines, penetrate consumer markets, and counterbalance other powers' attempts to project economic influence. Between 1999 and 2008, China implemented the largest domestic road and rail network expansion of all Asian countries.

The density of the transportation network in China's border provinces has grown much faster than in the Indian border provinces or the Russian Far East. With a road density of about 20 km per 100 sq km, even the mountainous Tibet Autonomous Region is doing better than the average of only 18 km in the Indian provinces of Uttar Pradesh, Bihar, and Arunachal Pradesh. In 2008, road density in China's frontier provinces like Yunnan, Guangxi, Jilin, and Heilongjiang was about 30 percent higher than in India's border provinces and entirely outstripped Russia's obsolete transportation grid in the Far East.

Experts and officials have expressed their concern about roads, arguing that a road network matters not only in the contest for economic clout but in the struggle for strategic influence as well.²¹ It has become clear that new logistic arteries have facilitated China's strengthening of its economic

²⁰Vladimir Fedorenko, "The New Silk Road Initiatives In Central Asia," p. 14.

²¹Jonathan Holslag, "China's Roads to Influence," *Asian Survey*, Vol. 50, No. 4 (July/August 2010), p. 662.

position in its neighborhood. Markets that used to be inaccessible are now directly connected to China's rapidly growing economy.

New Potential of the Russian-Chinese Partnership

The rapid development of China's "Silk Road Economic Belt" project is a clear message to the EU and the U.S. who are afraid to lose their positions in Central Asia. The U.S.' pivot back to Asia and the negotiations around two trade agreements — TTIP (Transatlantic Trade and Investment Partnership) and TPP (Trans-Pacific Partnership) — are the reaction of the U.S. to the rise of China and the continuing process of a deteriorating unipolar world.²² China and Russia share a similar stance in world politics and are thus being seen as threats to the unipolar world.

For Russia, the implementation of transport corridors will give an economic boost to its Far East regions. The Primorye 1 and Primorye 2 transport corridors have a big role as they are supposed to connect Chinese provinces that do not have access to the ocean with Russian Far East ports. Russia is planning to make Vladivostok a free-zone port that will attract investments and function as a hub in the Russian Far East. Russia is partially situated on the Silk way and is itself part of the "Silk Road Economic Belt." On February 2, 2015, during trilateral talks between the Chinese, Indian, and Russian Foreign Ministers, China's Foreign Minister Wang Yi called upon New Delhi and Moscow to join Beijing's "One Belt and One Road" initiative to create an economic corridor across Eurasia.²³ This move appears to strike a final blow to Washington's idea to create a U.S.-controlled "New Silk Road" in Eurasia, undermining both its political and economic influence in Asia. In October 2014, the Ministry of Transport of the Russian Federation, the Russian Railway, the National Commission of Development and Reform of China, and the China Railway Construction Corporation signed a memorandum of understanding in the field of high-speed railway communication. The Russian Railway reported that the

²²Ibid., pp. 641–662.

²³Saisal Dasgupta, "China's Ambitious New Silk Road Project Faces Hurdles," *Emerging Equity*, April 19, 2015, <http://emergingequity.org/2015/04/19/chinas-ambitious-new-silk-road-project-faces-hurdles/>.

document's purpose was to develop the project of the Eurasian high-speed transport corridor from Moscow to Beijing via Kazan.

Russia and China
face new potential of
cooperation in
Central Asia both
for the region's
long-term
development and for
better positions in the
"new Great Game."

Another important multilateral project is the international transport corridor between Europe and Western China. The corridor will connect Europe to Asia through the Russian cities of Saint Petersburg, Moscow, Nizhny Novgorod, Kazan, and Orenburg, and the Kazakh cities of Aktobe, Kyzylorda, Shymkent, Taraz, Korday, and Almaty. The corridor is expected to become one of the most technologically advanced trade routes with its high-quality road, roadside infrastructure, and technological innovations. The length of the road is expected to be around 5,247 miles (1,387

miles will go through Russia, 1,731 miles through Kazakhstan, and 2,128 miles through China). The World Bank provided a loan of US\$2.125 billion for the construction of the project. The project was approved in May 2012 and is expected to be completed by 2017.

The Western Europe-Western China transport corridor is expected to become the fastest Eurasian transport route, significantly reducing travel time. For example, while shipments from China to European markets take 14 days via the Trans-Siberian railway and 45 days through the Suez Canal, the Western Europe-Western China corridor would offer a faster route reaching Europe in 10 days. On May 20, 2014 in a communiqué signed by Russia and China, it is said that "Russia finds Chinese initiative on building 'Silk Road Economic Belt' important and highly appreciate the readiness of Chinese counterparts to consider Russian interests in its development and realization."²⁴ In terms of security, territorial disputes in the South China Sea have led to instability in Chinese relations with Vietnam, Philippines, and some other Southeast Asian countries. This has caused China to focus more closely on Eurasia, given also that the American factor played a big

²⁴Yang Yanyi, "China to Revive Ancient Silk Road," EUobserver, 12 May, <https://euobserver.com/eu-china/128666>.

role in destabilizing Chinese relations with its eastern and southern neighbors — for instance, in November 2011, the U.S. announced its stakes in the South China Sea.

A great number of analysts have characterized the current development in Greater Central Asia in terms of a “new Great Game” among Russia, the U.S, China, the EU, and other actors. The truth, however, is that this “game” is also the key to the long-term development of the Greater Central Asian countries. As during the original Great Game in the nineteenth century, when the British and Tsarist Russian empires sought to gain dominance by building railroads to the region, the “new Great Game” also relates closely to infrastructure. Opening Greater Central Asia to continental trade in energy and goods would give countries in the region greater access to foreign technology and foreign exchange revenue, increase market access, and reduce the harmful effects of being landlocked. Official Chinese policy in Central Asia is quiet and cautious, focused on developing the region as an economic partner with its western province Xinjiang, whilst also looking beyond at what China characterizes as the “Eurasian Land Bridge” connecting East Asia and Western Europe.

Conclusion

Each of the new Silk Road initiatives described above has its own specific agenda, goals, and priorities. To conclude, the Silk Road renaissance facilitated by the various new Silk Road initiatives has already begun. In order to achieve fast-growing economies and sustained development, Central Asian states have no other option but to participate in the new Silk Road initiatives since their landlocked economies compel them to cooperate with one another. China is an active member of the business organization integrating the railway line crossing Russia in east-west direction into a bi-modal (railway and sea) corridor, connecting China with the eastern coast of the United States through Narvik. However, it is also a fact that China is highly interested in building a Trans-Eurasian corridor through Central-Asia as well — together with the countries involved. But this corridor heading toward Western and Eastern Europe can compete with other routes only if it runs at its full length on terrestrial routes and if its railway tracks are interoperable, at least in terms of the compliance of railway gauges

between the Russian and Chinese railways.²⁵ At present, Russia appears to be the main security provider for Central Asian states. At the level of military cooperation with the Central Asian republics, China cannot compete with Russia. But at the level of investments given to Central Asian countries and participation in infrastructure projects, Russia cannot compete with China. In fact, Russia and China share the same goal in many ways and can benefit from cooperation in transport corridor projects. Ultimately, China and Russia are interested in a stable Central Asia and their ITC projects in Central Asia can give the economies of both countries a fresh boost.

²⁵Ferenc Erdősi, "Global and Regional Roles of the Russian Transport Infrastructures," Discussion Paper No. 69 (Pécs: Centre for Regional Studies of the Hungarian Academy of Sciences), pp. 28–48.