

The New Silk Road: One, None and Thousands

by Ivan Franceschini*

The New Silk Road is receiving substantial attention from media and political analysts. The debate is extremely polarized between those who consider it a fundamental initiative for “South-South cooperation,” and those who criticize it as an attempt by China to expand its political and economic dominion in Asia and elsewhere. But focusing exclusively on China entails the risk of ignoring the importance of the initiative in the context of global capitalism and forgetting the great economic-social issues of the contemporary world. The proper analysis is not to see China as a monolithic entity, but to define Chinese globalization in a stratified whole of processes and actors that must be analyzed case by case.

Some time ago, a friend who works for a non-governmental organization was interviewed by a journalist regarding the risks linked to some Chinese projects to construct coal-fired power plants in a certain country of Southeast Asia. Although the local authorities had promised to work towards a carbon-free future, some of these projects had not been abandoned, and the journalist wanted to know if the initiatives were linked to the New Silk Road. To which the friend answered: “Does it make any difference if these projects are part of the New Silk Road?”¹

This anecdote illustrates not only how in recent years the New Silk Road has become the preferred angle through which to discuss Chinese foreign investments, but also how problems that have causes and implications that go well beyond the nationality of the actors involved – such as the climate catastrophe that we all must face – have often been reduced to petty political questions and interpreted through a reductive view of national units rather than as systemic questions. To paraphrase the response from our activist friend: is it really important if the coal plants are part of the New Silk Road when such projects shouldn’t exist at all? Is there a dif-

ference if the investors behind this initiative are Chinese, Australian, or European? Wouldn’t it be better to rather concentrate on the roots of the problem, that in this specific case should be traced to the persistence of an economic system still largely based on fossil fuels despite the disastrous consequences of this choice now being evident?



Much of the discussion on the New Silk Road in the past decade has ended up obscuring collective challenges that we are facing in the current iteration of global capitalist development – from the erosion of workers’ rights to massive indebtedness, from waves of expropriations to environmental degradation. The representation of the New Silk Road as a massive plan of the Chinese Party-State to subvert democratic institutions in some situations, strengthen author-

itarian tendencies in others, and strengthen China’s general political and economic influence at the international level has led to infinite debates on the challenges posed by Chinese actors abroad. Unfortunately, this renewed and obsessive attention on China has also pushed much broader systemic problems into the background.

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There is no doubt that massive capital inflows from China have strengthened authoritarian governments, that loans financed by Chinese banks have contributed to rising public debt levels in certain countries, and that many Chinese projects have led to the exploitation of the work force and environmental damage. Yet, in concentrating our attention exclusively on the New Silk Road (and on China) we risk not being able to realize how these dynamics are rooted in trends that are much broader – in both geographic and temporal terms – than the ephemeral phenomena we are seeing today. In the same manner, by concentrating exclusively on Chinese activities abroad, we run the risk of neglecting how some problems deriving from those activities fit into the general picture of global capitalism. This, in turn, not only leads us to adopt a vision that exaggerates the exceptional nature of China in relation to its activities in the international scenario, but also to lose sight of the great problems of our time. To avoid this risk, it is necessary for our analyses on so-called “Global China” not to treat the country as an isolated entity, but to make the effort to identify the thousand ways in which Chinese activities abroad are part of both local and global dynamics, highlighting parallelisms and connections that are not always evident.

OLD DYNAMICS, NEW FEARS

Where did this obsession for the New Silk Road originate? If we take a step backwards and observe the recent history of Global China, we realize that the disputes we are seeing today are not exactly new. In the 1950s, the Chinese government already played a fundamental role in the creation of the Non-Aligned Movement and began to send technicians and workers abroad to provide assistance to other developing countries. At the height of the Cold War in the 1960s, after the split between China and the Soviet Union, the Chinese leadership committed to leading the fight of the “Third World” against the dual imperialism of the United States and the Soviet Union, a position known as “third-worldism.” Although with the beginning of the policies of reform and opening at the end of the 1970s the Party-State set aside the anti-colonial project based on this rhetoric, China’s role on the global stage never ceased to cause controversy. The 1990s saw Chinese companies begin “going out,” but the worries reach their peak at the beginning of the new millennium, when the country joined the WTO. While on the one hand this encouraged the liberal hopes of a possible democratic future for China, on the other it caused strong worries at the global level for the potential effects of low-cost labor in China on worker conditions in other countries, and more in gen-

eral, on the renewed Chinese competition with more or less developed economies.

Chinese President Xi Jinping announced the New Silk Road during state visits to Kazakhstan and Indonesia in 2013, but the initiative took shape only in subsequent months and years, ending up including five components: policy coordination, connectivity between structures, unbridled trade, financial integration, and contact between people. Very soon, all sorts of numbers began to circulate, the most cited of which is an OECD estimate according to which the investments linked to the New Silk Road would reach over 1 trillion dollars in infrastructure financing abroad in the decade starting in 2017. Such ambition caused alarm in Western political circles (and also elsewhere). Since then, various academics have pointed out that the New Silk Road is from many standpoints chaotic and far from being a plan for global domination created by the Chinese authorities; to the contrary, others have claimed that despite the apparent chaos, the New Silk Road is actually much better structured and coordinated than believed. This general uncertainty regarding the nature and functioning of the initiative has revived old fears about the global rise of China.

Instigated by the efforts of Chinese propaganda and by an equally strong critical response, the debate has become extremely polarized. At one extreme are those who see the new Silk Road as a benevolent plan under the aegis of “South-South cooperation,” aimed at strengthening infrastructure in countries that could otherwise not afford to do so, thus reviving their economies; on the other are those who claim that Chinese development aid and investments are ultimately



nothing more than a Trojan Horse through which the government of Beijing seeks to extract resources, appropriate strategic assets, and strengthen its global influence. Together with the fact that today Chinese actors are more interested than ever in exaggerating their association with the New Silk Road for goals that go from economic gain to achieving political legitimization, all of this has brought disproportionate attention to the initiative. This, in turn, has produced at least four types of cognitive distortion.

CONFUSION AND COGNITIVE DISTORTIONS

First of all, if we use the New Silk Road as a lens through which to analyze Chinese foreign affairs, we end up neglecting other important manifestations of Global China. As written by the sociologist Ching Kwan Lee in her *The Specter of Global China*: “Global China is taking myriad forms, ranging from foreign direct investment, labor export, and multilateral financial institutions for building cross-regional infrastructure to the globalization of Chinese civil society organizations, creation of global media networks, and global joint ventures in higher education, to name just a few examples.”² In such a context, if we restrict the visual field to the New Silk Road, we risk ignoring many other important aspects of contemporary Chinese globalization. In particular, the lens of the New Silk Road tends to orient us towards the grandest and most formal aspects of Global China, implicitly or explicitly producing an image of the Chinese state as a monolithic actor committed to promoting an international strategy that is coherent and decided from the top down. What is missing in this picture is the multitude of Chinese investments and interactions abroad on a small and medium scale, that are informal and often (semi-)illicit. From the political upheaval and environmental ramifications caused by the sudden migration of thousands of Chinese miners seeking gold in the rivers of Ghana, to the struggles and ne-

gotiations between small Chinese entrepreneurs and a variety of local actors in various contexts around the world, “Global China from the bottom up” is just as important as the New Silk Road to understand contemporary Chinese globalization, but it has received much less attention.

At the same time, given that there is a substantial lack of clarity regarding the nature of the New Silk Road – there are no strict criteria to classify a project as part of the initiative – examples exist of proposals “from the bottom up” that have been presented or promoted as part of the New Silk Road even though they had no connection with the Party-State and certainly were not part of any official Chinese plans. These situations further muddle the waters and reinforce the idea that the Chinese authorities are involved in practically every activity conducted by Chinese actors abroad. For example, at the end of the last decade, She Zhijiang, a Chinese fugitive with a Cambodian passport, made an agreement with a local warlord in Myanmar to transform the latter’s headquarters, located in the village of Shwe Kokko (Kayin), into a “smart new city,” that was apparently aimed at attracting the technological industry, but in reality, was simply a refuge for operators in gambling and online fraud. In the subsequent years, She launched high-profile public relations campaigns to present himself as a successful member of the Chinese business community abroad, and to make his project seem like an important component of the New Silk Road. The damage to the Chinese government’s image was so significant that at a certain point the Chinese embassy in Myanmar decided to publicly distance itself from the project – a move that unfortunately had little effect in dissipating the doubts of many outside observers, who today refer to Shwe Kokko as a “New Silk Road project.”

Second, many of the current analyses on the New Silk Road tend to put excessive emphasis on what can be observed at the current time, disregarding the history and passages that led to the situations we are seeing today. A solid understanding of the society and domestic and foreign Chinese policy from a historical perspective is a fundamental precondition for any analysis of Global China in its current form. For example, it is impossible to discuss Chinese activities in Southeast Asia without referring to how the New Silk Road has been integrated in previous multilateral dialogues between the countries in the Mekong area – Cambodia, Laos, Myanmar, Vietnam, and Thailand – and the Chinese provinces of Yunnan and Guangxi. Nor can we ignore the fact that the discursive roots of the cultural diplomacy of today are found in the legacy of third-worldism and the encounters between China and the Global South starting in the middle of the last cen-





tury. Ignoring how certain dynamics that we see today are rooted in the not-far-away Maoist past of China – such as in stories of migration and communities of the much longer-term diaspora – we risk missing out on important lessons. Hong Zhang, for example, has shown how international Chinese construction and engineering contractors were born from entities responsible for development aid originally managed by ministries and other subnational governments in the Maoist period.³ Deprived of their governmental status and transformed into businesses in the eighties and nineties, today these contractors play a fundamental role in determining the agenda of the Chinese authorities in the field of “development finance.”

Third, in concentrating our analysis on the New Silk Road, we do not realize how Chinese actors abroad are also bound by both the specific circumstances of the context in which they operate and by the dynamics of global capitalism – and therefore are subject to the same rules of the game, with all that entails. This can be seen, for example, in the structure and functioning of the multilateral financial institutions promoted by the Chinese authorities in recent years, in particular the Asian Infrastructure Investment Bank (AIIB). Created in 2016, the AIIB is often described as a tool aimed at promoting Beijing’s geopolitical interests. There is no doubt that the AIIB represents an attempt by China to play a more influential role in the field of multilateral global finance: the institution was proposed by the Chinese authorities, it has its headquarters in Beijing, and China holds the majority of the shares and votes. Yet rather than upending the existing model used by other multilateral development banks, the AIIB has emulated their example, although in a leaner and “smoother” way, and has hired numerous veterans of the World Bank, the Asian Development Bank, and other international financial institutions, thus marking a certain continuity. While the AIIB is mentioned explicitly in official documents of the New Silk Road, this is only

in relation to strengthening China’s role in “financial integration.” Moreover, in the first years of the bank’s operation, approximately one-half of its projects were co-financed with the Bretton Woods banks, and the principal beneficiary of its loans was India, a country that views the New Silk Road with suspicion.

Finally, the fact that the Chinese investments are not necessarily exceptional emerges clearly when we consider how many of these projects are often constructed on foundations established by other local or international corporations, facilitated by international financial institutions, and in some cases, even constructed in collaboration with Western businesses. This can be seen, for example, in the way that Chinese mining companies have taken over controversial concessions from their European or North American counterparts. This is the case of the Toromocho copper mine in Peru, situated in an area that was originally subject to extraction operations conducted by small companies from various areas, until a Canadian company acquired the rights to exploit the area in 2002, only to sell them to the Chinese company Chinalco in 2007. This is also the case of the Rio Blanco and Mirador mines in Ecuador, both started by Canadian companies at the end of the nineties and then acquired by Chinese groups in the subsequent two decades. Similar dynamics can be found in Asia as well, for example in the case of the Letpadaung copper mine in Myanmar. In other contexts, Chinese companies have succeeded in entering and securing concessions thanks to interventions by international financial institutions such as the World Bank and the International Monetary Fund, as in the case of Zambia, where debt reduction aid was granted only on the condition of privatization of the copper industry, that had previously been nationalized. In some cases, Chinese companies and their Western counterparts have continued to work in mutual agreement on particularly problematic projects. This is what is happening today in Papua New Guinea, where the

Canadian conglomerate Barrick Gold and the Chinese Zijin Mining are managing the Porgera gold mine together, that is at the center of serious human rights violations and environmental problems. In East Africa, the French Total and the China National Offshore Oil Corporation are planning the construction of a very long pipeline for crude oil between Hoima in Uganda and the port of Tanga in Tanzania, ignoring the worries of civil society regarding inevitable harm to the environment and local communities.

It is unquestionably possible to claim that in some cases the Chinese companies are more inclined than others to take on projects that are uncertain, risky, and even unlikely when they are in line with the geopolitical agenda of the Party-State. Elements also exist to support the thesis that Chinese businesses and banks are less transparent and reactive than other international actors. Yet it is important to recall that Chinese actors do not operate in a vacuum and are subject to logics and pressures similar to those to which their partners and competitors must answer.

TOWARDS A MORE FINE-GRAINED UNDERSTANDING

In discussing the complexities underlying the idea of Global China, Ching Kwan Lee has warned against “the facile resort to sweeping and grandiose generalization in terms of hegemony, empire, and neocolonialism”, suggesting substituting them with ‘fine-grained, grounded empirical and comparative research.’⁴ To be

able to do this, it is necessary to set aside the polarizing obsession with the New Silk Road and begin to concentrate on the concrete behavior of Chinese actors at the base level, overcoming prejudices and making an effort to go beyond established preconceptions in order to bring to light parallelisms and connections in the way that the models of Chinese globalization have emerged from pre-existing dispositions and formulations.

While the academic debate – and even more so media and political discussions – remain dominated by perspectives that examine Global China in geopolitical and macroeconomic terms, in recent years various young researchers from different fields have produced a growing quantity of excellent studies on the ways that Global China is experienced in different contexts. Efforts have also been undertaken to construct connections between academia and civil society in order to create synergies to better document the social and environmental impact of Global China from an empirical standpoint, including the pioneering *China Dialogue*⁵ and our most recent experiment, *The People’s Map of Global China*.⁶ Although these efforts are unlikely to create a narrative as attractive as the one put forward by proponents of the “debt tarp,” “silent invasions,” or on the other hand, “South-South cooperation” or “win-win,” they can bring us closer to understanding what Global China truly means for people who deal with it in their daily life, and help us have a clearer idea of the implications of Chinese globalization for our future.

¹ This article is an adaptation of the fourth chapter of *Global China as Method*, written together by Ivan Franceschini and Nicholas Loubere and published by Cambridge University Press in 2022.

² C.K. Lee, *The Specter of Global China: Politics, Labor, and Foreign Investment in Africa*, Chicago, The University of Chicago Press, 2017, p. xiv.

³ H. Zhang, “The Aid-Contracting Nexus: The Role of the International Contracting Industry in China’s Overseas Development Engagements,” *China Perspective*, 4, 2020, pp. 17-27.

⁴ Lee, *The Specter of Global China: Politics, Labor, and Foreign Investment in Africa*, *op. cit.*, p. 161.

⁵ <https://chinadialogue.net/en/>.

⁶ <https://thepeoplesmap.net/>.