

The Modern Silk Road

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We can't understand what the Modern Silk Road is without a reminder of the original Silk Road. The Silk Road was a network of trails which allowed for the transport of goods between Asia and Europe for almost 1,500 years. It consisted of a succession of trails followed by caravans through Central Asia and was about 4,000 miles in length. Although it is believed that significant trade occurred for about 1,000 years beforehand¹, the Silk Road opened around 139 B.C. when China was unified under the Han dynasty. It is said that in 138 BC, the Chinese emperor dispatched an envoy called Zhang Qian to make contact with a tribal group in central Asia. When Zhang returned to China he described the magnificent Arabian horses he had encountered. The Chinese authorities were keen to acquire these horses and so began a system of long-distance trade with central Asia. During the same period, central Asia had come into contact with European civilizations from the west, initially through the conquests of the Greek king Alexander the Great and later through the growing Roman empire.² The original silk road started at Chang'an (Xian), China and ended at Antioch or Constantinople (Istanbul), passing by commercial cities such as Kashgar, China, and Samarkand, Uzbekistan. Since the transport capacity was limited, over long distances, and often unsafe, luxury goods were the primary commodities that were traded. Although it originated and functioned primarily as a trade route, the Silk Road also served as a vehicle for the diffusion of ideas and religions (initially Buddhism and then Islam), enabling civilizations from Europe, the Middle East, and Asia to connect. The Silk Road reached its peak during the Mongolian Empire in the 13th century when China and Central Asia were controlled by Mongol Khans³, who were strong proponents of trade

¹ "The Silk Road and Arab Sea Routes | The Geography of Transport"
https://transportgeography.org/?page_id=1048. Accessed 26 Jan. 2019.

² "Uzbekistan and the Silk Road – The Batik Route." 31 Oct. 2017,
<https://marinaelphick.com/2017/10/31/uzbekistan-and-the-silk-road/>. Accessed 26 Jan. 2019.

³ "The Silk Road and Arab Sea Routes | The Geography of Transport"
https://transportgeography.org/?page_id=1048. Accessed 26 Jan. 2019.

even if they were also ruthless conquerors. As European powers developed their maritime technologies from the 15th century, they successfully overthrew the Arab control of this lucrative trade route to replace it with their own. Ships were able to transport commodities faster, cheaper and over longer distances which caused the downfall of the Silk Road as a major trade route by the 16th century. The reality is that the Old Silk Road served as more than a trade route supporting commerce, it was a bridge between east and west, connecting civilizations and shaping the destiny of the countries it touched and those with whom they did business. When it ceased to be a major trade route history took a different course as well. Relationships amongst the nations it touched dwindled and weakened as the contact between couriers on the trail decreased. The first silk road started as a trade route but served as an active means of connecting countries and conveying ideologies. That's a concept that I kept in mind as I explored the rationale for and impact of the Modern Silk Road.

What interested me as I pursued this research was the who, what and why behind the creation of a "Modern Silk Road". The who is clear: In 2013, China's President Xi Jinping announced that the Silk Road would be reborn as the "Belt and Road Initiative", nicknamed BRI or One Belt-One Road in different parts of the globe. It's known as the most ambitious infrastructure project the world has ever known—and the most expensive.⁴ When complete, the Belt and Road Initiative will connect, by China's accounting, sixty-five percent of the world's population and thirty percent of global GDP. As of 2018, sixty-eight countries had officially signed on of the estimated 76 countries that could be impacted.

It's useful as we consider the potential impact of the "Modern Silk Road" to be anchored in some reminders about what we know about China. Modern day China is home to one of the world's oldest civilizations and has been ruled by the Communist Party since 1949 when the

⁴ "A New Silk Road | The New Yorker." 8 Jan. 2018, <https://www.newyorker.com/magazine/2018/01/08/a-new-silk-road>. Accessed 26 Jan. 2019.

nation was established as the People's Republic of China. The country is the world's most populous and is considered the second-largest by land mass. It may have the largest population, but it's not growing by much as its annual population growth rate currently stands at only 0.44 percent⁵ largely due to its one-child policy which was in effect for 37 years. It is expected that India will overtake China as the most populous country in a little over a decade.⁶

China has been one of the world's fastest-growing major economies since former leader Deng Xiaoping installed reforms in 1978. China is a single-party socialist state but has moved from being a centrally planned economy to a market-based economy. Since the 1990s, China has achieved immense growth in its economy. It surpassed the United States in terms of GDP based on purchasing power parity at the end of 2014, making it the country with the largest GDP in the world. In counterpoint, China's economic statistics are not as impressive when looking at GDP per capita. For GDP per capita China ranks 113th in the world with an average of \$12,900 per person, keeping pace with Macedonia and the Dominican Republic, countries not typically recognized for their productivity. The United States ranks 19th with GDP of \$54,800 per capita.⁷ China is the biggest exporter in the world, exporting \$2.25 trillion in goods in 2014, according to the World Factbook. In fact, China has surpassed the United States as the world's largest trading nation, as measured by the sum of its exports and imports. The European Union and the United States follow closely behind as second and third respectively. The United States remains the biggest importer in the world, followed by the European Union and China.⁸ In overall comparisons, China's economy is the world's second-largest, trailing only the United

⁵ "Where Does China Rank in the World? - China Business Review." 24 Jul. 2015, <https://www.chinabusinessreview.com/where-does-china-rank-in-the-world/>. Accessed 9 Feb. 2019.

⁶ "Where Does China Rank in the World? - China Business Review." 24 Jul. 2015, <https://www.chinabusinessreview.com/where-does-china-rank-in-the-world/>. Accessed 9 Feb. 2019.

⁷ "Where Does China Rank in the World? - China Business Review." 24 Jul. 2015, <https://www.chinabusinessreview.com/where-does-china-rank-in-the-world/>. Accessed 9 Feb. 2019.

⁸ "Where Does China Rank in the World? - China Business Review." 24 Jul. 2015, <https://www.chinabusinessreview.com/where-does-china-rank-in-the-world/>. Accessed 9 Feb. 2019.

States. China's rapid economic rise helped secure President Xi Jinping a new five-year term in 2017, with delegates at the Communist Party's congress voting to name him in their constitution, which gives him expanded powers.

The nation's growing economy and rapid rise in global influence have led to heightened scrutiny by the rest of the world. China has come under frequent criticism – most notably from the United States – for its human rights policies. Political freedom remains tightly controlled, and China has some of the world's tightest restrictions on Internet usage. China also regularly ranks near the bottom of international rankings for media freedom. Human Rights Watch is an international non-governmental organization, headquartered in New York City, that conducts research and advocacy on human rights with over 80 full-time researchers. Their report on China for 2017 catalogs multiple human rights abuses and concerns; I'll highlight a few of the areas to remind us all of how differently the Chinese government functions from the western world. Human Rights Watch begins their report by stating, "The broad and sustained offensive on human rights that started after President Xi Jinping took power five years ago showed no sign of abating in 2017. The near future for human rights appears grim, especially as Xi is expected to remain in power at least until 2022."⁹ They go on to state that the Chinese government, which already oversees one of the strictest online censorship regimes in the world, limited the provision of censorship circumvention tools in their country and strengthened ideological control over education and mass media in 2017. Schools and state media tout the supremacy of the Chinese Communist Party, and, increasingly, of President Xi Jinping as the "core leader".¹⁰ One citation that was of particular interest to the topics addressed in this paper addressed China's international connections, "In June (of 2017), the European Union failed for the first time ever to deliver a statement under a standing agenda item at the United Nations

⁹ "World Report 2018: China | Human Rights Watch." <https://www.hrw.org/world-report/2018/country-chapters/china-and-tibet>. Accessed 15 Feb. 2019.

¹⁰ "World Report 2018: China | Human Rights Watch." <https://www.hrw.org/world-report/2018/country-chapters/china-and-tibet>. Accessed 15 Feb. 2019.

Human Rights Council regarding country situations requiring the council's attention. This stemmed from Greece blocking the necessary European Union consensus for such an intervention due to its unwillingness to criticize human rights violations in China, with which it has substantial trade ties."¹¹ China also does not hesitate to restrict the actions of foreign businesses in its country, and the business corporations comply, apparently due to the size of China's market. In November 2017, in a letter to two US senators, Apple confirmed that it had removed 674 VPNs from its App store in China that year, citing compliance with Chinese government regulations. In August 2017, Cambridge University Press admitted it had blocked access in China to more than 300 articles published in its journal *China Quarterly*, following orders from the Chinese government. The international backlash against the decision compelled the publishing house to restore the articles. But in November, Springer Nature pulled access to over 1,000 articles in China. The publisher said the decision was to comply with Chinese regulations.¹²

The Chinese, of course, view these criticisms through a different lens. In a White Paper of the Government of the People's Republic of China, the discussion of human rights in China is described as finally victorious. They write, "Under long years of oppression by the "three big mountains" -- imperialism, feudalism, and bureaucrat-capitalism -- people in old China did not have any human rights to speak of. Suffering bitterly from this, the Chinese people fought for more than a century, defying death and personal sacrifices and advancing wave upon wave, in an arduous struggle to overthrow the "three big mountains" and gain their human rights. (They believe that) the situation in respect to human rights in China took a basic turn for the better after the founding of the People's Republic of China."¹³ China does recognize that their view is

¹¹ "World Report 2018: China | Human Rights Watch." <https://www.hrw.org/world-report/2018/country-chapters/china-and-tibet>. Accessed 15 Feb. 2019.

¹² "World Report 2018: China | Human Rights Watch." <https://www.hrw.org/world-report/2018/country-chapters/china-and-tibet>. Accessed 15 Feb. 2019.

¹³ "The State Council of the People's Republic of China." <http://english.gov.cn/>. Accessed 15 Feb. 2019.

not universal with this disclaimer in their white paper on human rights, “Owing to tremendous differences in historical background, social system, cultural tradition and economic development, countries differ in their understanding and practice of human rights.”¹⁴

Other troubling statistics include the facts that air pollution in the nation’s major urban areas poses a major health risk, and the International Energy Agency in 2012 noted that China is the world’s largest emitter of carbon dioxide. China is also recognized as possessing nuclear weapons and has been a permanent member of the United Nations Security Council since 1971. Keep in mind that this is a country that until 2016 required government permission for couples to have children, does not respect patent laws, and that controls its media outlets and citizen’s access to information.

China’s rapid economic development has posed several domestic challenges for them as well, including balancing population growth with its natural resources, a growing income inequality and a substantial rise in pollution across the country. The World Bank notes that while the sustained economic growth has lifted hundreds of millions of people out of poverty, China remains a developing country with many people still living below the nation’s official poverty level.¹⁵

With that grounding in the realities of China as a nation, what is the “Modern Silk Road” and where is it going? On the surface, the Belt and Road Initiative envisions the construction of road and sea connections between China and countries in Southeast Asia, Central Asia and through to Europe. This is to be achieved with massive investments in infrastructure, including roads, rail, airports, ports, pipelines, and communications. China has committed \$1.4 trillion to the Initiative, which will leverage multiples of private finance to foot the bill for building and

¹⁴ "The State Council of the People's Republic of China." <http://english.gov.cn/>. Accessed 15 Feb. 2019.

¹⁵ "China - Statistics, Rankings, News | US News Best Countries." <https://www.usnews.com/news/best-countries/china>. Accessed 9 Feb. 2019.

servicing the infrastructure. Credit Suisse estimates that China itself will invest over \$500 billion into 62 official BRI projects over the next 5 years. Once completed, the BRI could cover over 4.4 billion people and generate a Gross Domestic Product of over \$21 trillion.¹⁶

We begin to see a hint of China's true intent with the Belt and Road Initiative in the global edition of "China Daily", a government operated media outlet in China. In November 2018, the headline read "BRI Helps Companies Build Global Bridges of Connectivity".¹⁷ They report that beyond physical infrastructure, China wants the world to think of the BRI as a "grand vision that advocates improved connectivity of (not just) infrastructure, (but also) trade, ideas, and knowledge between Europe, Africa, and Asia."¹⁸ Much like the first silk road, China understands that physical connections beget intellectual and emotional connections. They also state that global entrepreneurs who are confused when they can't find a comprehensive list of BRI projects, "fail to see the advantage of the BRI's inclusiveness and they could miss valuable engagement opportunities if they continue to think in this way."¹⁹ As an example, the Chinese Daily advocates the wisdom of countries like the United Kingdom who encourage British companies to supply banking, legal, engineering, consulting, and other services to BRI projects around the world. As they note, "few would have thought of the United Kingdom as being within the area covered by the initiative, or of it being a nation that stood to benefit, simply because the United Kingdom is not a strong trader of merchandise (With)... services mak(ing) up almost 80 percent of its economy."²⁰ But the United Kingdom's Treasury has appointed a Belt and Road

¹⁶ "A View from the United States | The Asan Forum." 19 Jun. 2017, <http://www.theasanforum.org/a-view-from-the-united-states-2/>. Accessed 3 Feb. 2019.

¹⁷ "BRI helps companies build global bridges of connectivity - Chinadaily" 13 Nov. 2018, <http://www.chinadaily.com.cn/a/201811/13/WS5bea35daa310eff3032884c5.html>. Accessed 3 Feb. 2019.

¹⁸ "BRI helps companies build global bridges of connectivity - Chinadaily" 13 Nov. 2018, <http://www.chinadaily.com.cn/a/201811/13/WS5bea35daa310eff3032884c5.html>. Accessed 3 Feb. 2019.

¹⁹ "BRI helps companies build global bridges of connectivity - Chinadaily" 13 Nov. 2018, <http://www.chinadaily.com.cn/a/201811/13/WS5bea35daa310eff3032884c5.html>. Accessed 3 Feb. 2019.

²⁰ "BRI helps companies build global bridges of connectivity - China Daily." 13 Nov. 2018, <https://www.chinadailyhk.com/articles/133/173/210/1542081105583.html>. Accessed 3 Feb. 2019.

envoy and has reportedly emphasized that London is a “natural western hub” for the BRI.²¹ The Telegraph, a British media outlet, confirms the strategy in its article “How Britain Will Play a Key Role in Building China’s New Silk Road” They posit that Britain will play a pivotal role in building China’s Belt and Road Initiative, cementing London’s position as the world’s financial center after Brexit.²² In the article Sam Xu, head of China transaction banking at Great Britain’s Standard Chartered Bank, is quoted as saying the UK would serve as a financial hub for the “One Belt, One Road” initiative. He said that no other city in the world could match London’s expertise and financial infrastructure. “In terms of global money centres, there’s only London and New York. Given the geographic location of New York compared with London, and less passion from the Americans for the project, London’s expertise and the infrastructure will ensure the United Kingdom plays a very important role.”²³ Standard Chartered Bank, for instance, financed more than 50 BRI deals in 2017 alone, including a \$515 million project financing a power plant in Zambia, a \$200 million loan for a power plant in Bangladesh, and a \$42 million export credit facility for a Sri Lankan gas terminal.²⁴ In May of 2017 British Chancellor Philip Hammond delivered a speech at the Belt and Road Forum in Beijing advocating for the benefits of a post-Brexit Britain’s involvement in the Belt and Road Initiative. He stated, “As we embark on a new chapter in our history, as we leave the European Union, we want to maintain a close and open trading partnership with our European neighbors, and at the same time pursue our ambition to secure free trade agreements around the world with new partners and old allies

²¹ "BRI helps companies build global bridges of connectivity - China Daily." 13 Nov. 2018, <https://www.chinadailyhk.com/articles/133/173/210/1542081105583.html>. Accessed 3 Feb. 2019.

²² "How Britain will play a key role in building China's new silk road." 29 May. 2017, <https://www.telegraph.co.uk/business/2017/05/29/britain-will-pay-key-role-building-chinas-new-silk-road/>. Accessed 3 Feb. 2019.

²³ "How Britain will play a key role in building China's new silk road." 29 May. 2017, <https://www.telegraph.co.uk/business/2017/05/29/britain-will-pay-key-role-building-chinas-new-silk-road/>. Accessed 3 Feb. 2019.

²⁴ "BRI helps companies build global bridges of connectivity - Chinadaily" 13 Nov. 2018, <http://www.chinadaily.com.cn/a/201811/13/WS5bea35daa310eff3032884c5.html>. Accessed 3 Feb. 2019.

alike. Our ambition is for more trade, not less trade, and China clearly shares this ambition.”²⁵

The UK Chancellor was one of several top officials who attended the forum in China to showcase the project.

All of this activity is not going unnoticed, nor is the impact on different countries across the world. While London may be poised to take advantage of the economic opportunities offered by China’s grand vision, other countries may not fare as well, such as countries on the African continent. Globalization seemed to have skipped by Africa for years as Africa was considered to have poor infrastructure, political instability, and low income. While Africa accounts for about 30% of the world’s reserves of hydrocarbons and minerals and 14% of the world’s population, its share of global manufacturing stood in 2011 exactly where it stood in 2000: at 1 percent. But China apparently saw the potential that others overlooked. China was seeking raw materials and energy to power their growing manufacturing capacity. They put Africa on the globalization map. It seemed to be an easy and convenient target. Chinese leaders sent business delegations to every capital in Africa year after year. These delegates secured infrastructure projects and proposed trade deals, converting Africa into a “second continent” for China. An August 2018 article in Forbes Magazine asked “What is China Doing in Africa?” African political leaders believe that “the reason Chinese corporations are in Africa is simple; to exploit the people and take their resources. It’s the same thing European colonists did during mercantile times, except worse. The Chinese corporations are trying to turn Africa into another Chinese continent. They are squeezing Africa for everything it is worth”.²⁶ Zambian President Michael Sata wrote in a 2007 paper presented at Harvard University that, “European colonial exploitation in comparison to Chinese exploitation appears benign, because even though the commercial

²⁵ "Britain says it's a natural partner for China's new Silk Road | Reuters." 13 May. 2017, <https://uk.reuters.com/article/uk-china-silkroad-britain-idUKKBN18A04C>. Accessed 3 Feb. 2019.

²⁶ "What Is China Doing In Africa? - Forbes." 4 Aug. 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/08/04/china-is-treating-africa-the-same-way-european-colonists-did/>. Accessed 13 Feb. 2019.

exploitation was just as bad, the (European) colonial agents also invested in social and economic infrastructure services. Chinese investment, on the other hand, is focused on taking out of Africa as much as can be taken out, without any regard to the welfare of the local people.”²⁷ In November 2018 the world became aware of the influence of China in the Maldives when a new President was elected. President Ibrahim Mohamed Solih took office on November 17th and was reportedly handed an invoice by Chinese officials for \$3.2 billion. The total is troubling because that represents a bill of approximately \$8,000 per citizen in the Maldives, and the country collects less than \$1 billion a year in tax revenues. Previous leadership in the Maldives had engaged in a 5-year building spree funded by China that may leave them insolvent. Even more troubling is the risk the prior President took in securing these loans. In a Forbes Magazine article published later that month, Washington-based global strategist, Jeffrey Borda states, “The Maldives is waking up with a loan it can't pay and its sovereignty as collateral.”²⁸ In an interesting counter move, India is reportedly negotiating to loan the Maldives up to \$1 billion, but only if the country agrees to distance itself from China. India, which sees the Indian Ocean as its own backyard, is alarmed by the possibility that China could build naval bases on the islands.²⁹

The most obvious motivation, or the “Why” for the One Belt One Road Initiative is gaining access to new markets for Chinese goods. Finding work for Chinese construction companies is an important factor as well. In this way, BRI is similar to Britain’s colonial trade routes, used to take natural resources from its outposts as well as ship finished goods back to

²⁷ "What Is China Doing In Africa? - Forbes." 4 Aug. 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/08/04/china-is-treating-africa-the-same-way-european-colonists-did/>. Accessed 13 Feb. 2019.

²⁸ "Modi Should Not Bail Out China In Maldives - Forbes." 28 Nov. 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/11/28/modi-should-not-bail-out-china-in-maldives/>. Accessed 23 Feb. 2019.

²⁹ "India offers Maldives \$1bn in loans to help repay China debt - Nikkei" 28 Nov. 2018, <https://asia.nikkei.com/Politics/International-Relations/India-offers-Maldives-1bn-in-loans-to-help-repay-China-debt>. Accessed 23 Feb. 2019.

its colonial subjects. Other countries, while participating in China's One Belt One Road Initiative, have reservations about the outcome. African nations, for example, are examining potential pitfalls of China's trade expansion. African countries are already flooded with Chinese products. Chinese exports to African countries was reported as reaching \$103 billion in 2015, the true figure is likely much higher because of underreporting and smuggled goods. African countries are exporting far less to China than they're importing. Kenya's president Uhuru Kenyatta, one of only two African leaders invited to China's One Belt One Road forum in Beijing, recently called on China to balance its trade with African countries. In an interview with the Financial Times, Kenyatta said that if Beijing's "win-win strategy is going to work, it must mean that, just as Africa opens up to China, China must also open up to Africa."³⁰

The real driving reason behind China's launch of the Belt and Road initiative, the "why", is not as clear. There are multiple existing transportation routes that are already serving this part of the world, so it's not as simple as creating a way to get from here to there. The significance of the BRI in China can be understood in the context of changes in China's foreign policy orientation. In particular, President Xi Jinping's articulation of the "China Dream" is of a rejuvenated nation that is internally prosperous as well as more internationally engaged. In this respect, President Jinping's drive appears to be supplanting the former President's maxim that the country should bide its time and maintain a low profile, with a more explicitly outward looking foreign policy. In ambition at least, he seeks to reflect China's view of itself as becoming Asia's dominant power. The ASAN Forum notes, "That BRI is both a political and economic agenda of

³⁰ "ONE BELT, ONE ROAD There's one major pitfall for African ... - Quartz." 15 May. 2017, <https://qz.com/africa/983581/chinas-new-silk-road-one-belt-one-road-project-has-one-major-pitfall-for-african-countries/>. Accessed 3 Feb. 2019.

Xi (Jinping) means that some infrastructure projects may lack a strong economic rationale”, but that does not mean that it will fail.³¹

Many articles point toward the excess capacity of Chinese production as a rationale for the Belt and Road Initiative and many more point toward China’s intent to become the dominant world player in the international economy and political situations. China has been growing extremely rapidly for a long time, but an important shift in its growth pattern occurred at the time of the global financial crisis in 2007. Prior to 2007 their economy was growing at 11%, the global financial crisis slowed that rate to 7%, a drop of 4%, which caused a glut of capacity for China. In the recent period China has been using a lot more investment in order to grow significantly more slowly than in the past.³² In the Summer of 2015 the Brookings Institute looked at China’s activities such as the Belt and Road Initiative, the Asian Infrastructure Bank and the BRICS (New Development) Bank as responses to this excess of capacity. China’s initiatives in Asia are seen in many quarters as a setback for the United States. The U.S. government contributed to this narrative through its efforts to discourage allies from joining the new Asian Infrastructure Investment Bank. In the end, major American allies such as the United Kingdom, Australia, and South Korea, did join the Chinese initiative, and Japan is seriously considering but has not yet become a member.³³ There is a risk that the competing initiatives of China and the United States will lead to regional blocs and a disintegration of trade. And there is a fundamental tension around the question of whether China or the United States will ultimately determine the rules for trade and investment in the region. What’s certain is that in this age of global connection, there is a lot of speculation about China’s motivation.

³¹ "A View from the United States | The Asan Forum." 19 Jun. 2017, <http://www.theasanforum.org/a-view-from-the-united-states-2/>. Accessed 16 Feb. 2019.

³² "The AIIB and the 'One Belt, One Road' - Brookings Institution." <https://www.brookings.edu/opinions/the-aiib-and-the-one-belt-one-road/>. Accessed 16 Feb. 2019.

³³ "Members of the Bank - AIIB." <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>. Accessed 16 Feb. 2019.

China envisions a vast global network of trade, investment and infrastructure that will reshape financial and geopolitical ties — and bring the rest of the world closer to Beijing. It has been dubbed a modern-day Marshall Plan spearheaded by the world's second-largest economy - China.³⁴ The Marshall Plan, also known as the European Recovery Program, was a U.S. program providing aid to Western Europe following the devastation of World War II. In addition to economic redevelopment, one of the stated goals of the Marshall Plan was to halt the spread of communism on the European continent. America's reconstruction effort after World War II created a foundation for enduring military and diplomatic alliances. China's strategy is bolder, more expensive and its motivations do not seem to be as congenial.

The Belt and Road Initiative is China's Marshall Plan...at this point, I have to confess to a shiver of unease that crossed my spine when I contemplated a communist nation positioning itself in this way. Post World War II was an era that defined the greatness of the United States in the World economy for decades and the spread of capitalism across the world. The Marshall Plan was a significant part of that. In the 21st century, China, a communist nation, is undertaking an equally grand project with their cultural priorities at the forefront. As I spoke to fellow Questor Barbara Daniels about this paper, her comment that China is using capitalism to spread communism seems very apt. China's money doesn't come with the usual rules. And the cost, for China and its borrowers alike, can be high.

The New York Times³⁵ examined nearly 600 projects that China helped finance in the last decade, through billions of dollars in grants, loans and investments. Taken together, they show the scope and motivation of China's strategy. There are 41 pipelines and other oil and gas

³⁴ "How Britain will play a key role in building China's new silk road." 29 May. 2017, <https://www.telegraph.co.uk/business/2017/05/29/britain-will-pay-key-role-building-chinas-new-silk-road/>. Accessed 3 Feb. 2019.

³⁵ "The World, Built by China - The New York Times." 18 Nov. 2018, <https://www.nytimes.com/interactive/2018/11/18/world/asia/world-built-by-china.html>. Accessed 13 Feb. 2019.

infrastructures which help China secure access to valuable natural resources. There are 203 bridges, roads and railways that create new ways for China to move its goods around the world. And there are 199 power plants — for nuclear, natural gas, coal and renewables — which give China new markets for its construction and equipment companies. After years of honing its construction skills at home, China is now deploying them abroad, including a series of hydroelectric dams, many of which approach or exceed the size of the Hoover Dam in terms of power output. China has a different view than we do when it comes to labor and environmental strictures. To staff overseas projects, Chinese companies have flown in their own workers by the thousands, drawing complaints that they are doing little to create local jobs. It is reported that safety standards have been uneven. And China continues to export polluting technologies like coal-fired power plants, even as such projects have become unpopular in China.

The New York Times found 112 countries where China has financed projects. While most fall under the Belt and Road Initiative, some have pushed beyond those boundaries. It looks like China is buying friends,³⁶ and that literal bridges are building figurative ones. Large ports in Pakistan, Sri Lanka and Malaysia — three countries along a major oil and commerce route from the Mideast and Africa — could someday double as naval logistics hubs. Through the BRI China is heavily focused on its neighbors, lending them money for extensive road-building projects, but some are running out of money to repay the loans, part of a broader pattern of what critics call China's "debt trap" diplomacy.³⁷ In Fall 2018 both The Economist and The Washington Post explored the implications of China's aggressive lending policies. The Washington Post reported a shift in perception of the Belt and Road Initiative, with the observation that "...the trillion-dollar program ...is now being framed by critics as not exactly an

³⁶ "The World, Built by China - The New York Times." 18 Nov. 2018, <https://www.nytimes.com/interactive/2018/11/18/world/asia/world-built-by-china.html>. Accessed 13 Feb. 2019.

³⁷ "The World, Built by China - The New York Times." 18 Nov. 2018, <https://www.nytimes.com/interactive/2018/11/18/world/asia/world-built-by-china.html>. Accessed 13 Feb. 2019.

imitation of American largesse but more as an example of debt-trap diplomacy in which China angles to gain influence overseas by bankrupting its partners and bending them to its will."³⁸ Western governments and multinationals generally steer clear of politically volatile countries, but the Chinese government has been less skittish, lending heavily to nations like Venezuela, Nigeria and Zimbabwe. China's lending is not largesse. Countries that run into financial trouble must renegotiate their loans, putting them deeper into debt. And as in the case of the Maldives, less sophisticated countries are putting their sovereignty and independence as a nation on the line as collateral. Sri Lanka was so indebted to China after approving a string of ambitious projects that it was forced in 2017 to lease a port to a Chinese company for 99 years in lieu of repayment. American and Japanese concerns that China planned to use the port as a naval outpost have caused them to increase their military assistance to the island nation.³⁹

One of the questions circling about the Modern Silk Road is the way it could change how countries relate to one another and how the United States would be perceived in this revised economy. In the United States we take for granted a lot of our lifestyle as a given - free market trade, freedom of the press, and protection of civil liberties for example. We take for granted these everyday things which are known as luxuries in other parts of the world. To view the actions of the Chinese through the same framework as the actions of our country is naive. The Chinese are not expanding their influence across the globe as an act of goodwill. They are strategically building alliances and dependencies to build their dominance as a world power for years to come. You could accurately say that the United States has done the same thing in the past. The difference is the restrictions placed upon the U.S. government inherent in our system of checks and balances, flawed as they may be. There are no checks and balances for China,

³⁸ "China's debt traps around the world are a trademark of its imperialist" 27 Aug. 2018, <https://www.washingtonpost.com/news/global-opinions/wp/2018/08/27/chinas-debt-traps-around-the-world-are-a-trademark-of-its-imperialist-ambitions/>. Accessed 28 Feb. 2019.

³⁹ "China's debt traps around the world are a trademark of its imperialist" 27 Aug. 2018, <https://www.washingtonpost.com/news/global-opinions/wp/2018/08/27/chinas-debt-traps-around-the-world-are-a-trademark-of-its-imperialist-ambitions/>. Accessed 28 Feb. 2019.

other than what their singular political party can push through. Questor Jerri Lerch covered the question of China's influence over the United States through our debt in her paper on trade balance in 2007. As an update to that paper, in 2018 China owns \$1.18 trillion of the United States debt, or 5.6%⁴⁰

I looked for evidence of the use of the Modern Silk Road as a means to growing markets for sex trafficking but could not find any conclusive evidence. When I looked, what I found was more than I wanted to know about the infamous online Silk Road and the dark or deep web. It was an online marketplace that, in its heyday, enabled throngs of users across the globe to discreetly buy and sell all sorts of contraband. From counterfeit passports to any type of drug imaginable, Silk Road operated as an intentionally constructed online black market which did \$1.2 billion worth of business between February of 2011 and July of 2013. Investigators claim that during that same period, the site facilitated over 1.5 million transactions. In the process it's founder netted upwards of \$80 million in personal profit. The founder was sentenced to life in prison in 2015 but replicas of the site continue to pop up.⁴¹

I also came across references to China's actions in other areas. The vision that created the Modern Silk Road isn't bound by earth. China is founding international banking institutions and getting serious about space exploration. China aims to be the leading space power by 2045, and the country's vision significantly differs from the imperatives that drove the United States and U.S.S.R during the Cold War. What seemed to matter then was planting a flag and then moving on to some other show of dominance. In contrast, China is focused on establishing a permanent presence in space. China views space, especially the area of space including Earth's moon, as directly connected to the rejuvenation of the Chinese nation. In January 2019,

⁴⁰ "Here's who owns a record \$21.21 trillion of U.S. debt - MarketWatch." 23 Aug. 2018, <https://www.marketwatch.com/story/heres-who-owns-a-record-2121-trillion-of-us-debt-2018-08-21>. Accessed 25 Feb. 2019.

⁴¹ "The Dark Web And The Man Behind The Silk Road | Silk Road Drugs." 3 Nov. 2016, <https://silkroaddrugs.org/darkweb-and-the-man-behind-the-silkroad/>. Accessed 16 Feb. 2019.

China established a foothold toward resource exploitation by landing on the far side of the moon; the United States needs two to three years before its first robotic missions touch down on the moon. The relative lead on space resources could determine who is the dominant power in space in the years to come.⁴² In an article written for the Washington Post Namrata Goswami, an independent senior analyst, wrote, “Most people think about space exploration; what matters to the future of power is space exploitation. In the United States, the discussion on space exploitation is led by a disorganized commercial sector; within China, the discourse on space resources is led by the Communist Party of China and President Xi Jinping.”⁴³ China may see the opportunity to control the resources of the moon as a first step toward colonizing the moon and as a pit stop for further space exploration. Her commentary concluded that, “At stake isn't simply prestige here on Earth: It's whether the future of space exploration, resource development and colonization will be democratic or dominated by the Communist Party of China and the People's Liberation Army of China. The American people should think hard about whether they want to cede the next century – and the next frontier – to a different government with a very different set of values.”⁴⁴

My conclusion is much the same. While the Belt and Road Initiative on its surface appears to be a rejuvenation of transportation and logistics hubs to reinvigorate trade routes, I believe that the Belt and Road Initiative is a trojan horse. China has a far greater impact as its goal. The Modern Silk Road, banking alliances, and space exploration are all part of China's master plan for domination without boundaries.

⁴² "US fails to grasp China's motivation on moon | Columns | The Journal" 13 Jan. 2019, <http://www.journalgazette.net/opinion/columns/20190113/us-fails-to-grasp-chinas-motivation-on-moon>. Accessed 16 Feb. 2019.

⁴³ "US fails to grasp China's motivation on moon | Columns | The Journal" 13 Jan. 2019, <http://www.journalgazette.net/opinion/columns/20190113/us-fails-to-grasp-chinas-motivation-on-moon>. Accessed 16 Feb. 2019.

⁴⁴ "US fails to grasp China's motivation on moon | Columns | The Journal" 13 Jan. 2019, <http://www.journalgazette.net/opinion/columns/20190113/us-fails-to-grasp-chinas-motivation-on-moon>. Accessed 16 Feb. 2019.

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