The Silk Road was for millennia a trade bridge between East and West. Now China, as it pushes to be a global power again, is investing in a network of road and sea routes between the Pacific Ocean and the heart of Europe as a Silk Road fit for the 21st century. The obstacles, the costs and the potential benefits are all immense — while the politics are complex and fraught.

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The Silk Road: Old and New
By Nayan Chanda

China’s bold initiative to conjure a massive land- and sea-based infrastructure project linking some 60 countries from China through Central Asia to Africa and Europe has succeeded in capturing the world’s imagination chiefly because of the irresistible name Beijing has given it, the New Silk Road.

Images of the ancient trade route evoke an earlier period of globalization when China was not a rising great power, it was the great power. Nayan Chanda looks at the similarities and difference between the new and old silk roads.

In the summer of 2011, then US Secretary of State Hillary Clinton proposed the development of a New Silk Road, a trade and investment program to serve as the foundation for rebuilding Afghanistan’s economy after the US troop withdrawal. At the time, neighbors like China were enthusiastic, but a few months later, then US Special Representative for Afghanistan and Pakistan Marc Grossman received an unusual request from Beijing. “My counterpart in the Chinese government came to me and said, you can’t use the term New Silk Road — that’s our term,” Grossman told me. “What would you like us to call it,” he asked. The Chinese diplomat said, “You can call it historic trade routes.” The US conceded and thus ended America’s brief dalliance with reviving the Silk Road.

The rationale behind China’s objection became clear a year later when newly installed President Xi Jinping launched with fanfare an ambitious New Silk Road project on land and sea. Later dubbed “One Belt, One Road,” the massive strategic infrastructure project aims to connect 60 countries spanning four continents.

While China has long been the eastern terminus of the Silk Road, the term die Seidenstrasse was actually coined by German geographer Ferdinand von Richthofen in 1877. Prior to that, the network of trails that connected China to the Mediterranean for two millennia had no specific name. But in the century after Richthofen, the appellation ignited the world’s imagination. As one scholar writes, the term has inspired “one of the most romantic and evocative of images known to geography, with its great caravan cities from Damascus to Loyang; long lines of camels and remote caravanserais; impenetrable mountain barriers and endless deserts.”

A History of Power
A rising China now seeks ownership of the phrase and to turn it into a brand name for its ambitious project. While China wants to evoke the romanticism of the historic contacts, Beijing officials discourage reading too much history into the present incarnation. It is just as well. For while the historical Silk Road was marked by lucrative trade and uncharacteristic religious tolerance (the terminus of the Silk Roads, the ancient capital Xian, was a remarkably secular place where traders of many faiths lived in peace), it was also important for its significant military trade and the exercise of raw Chinese power. Bolts of silk were carried to
Chinese border garrisons to pay soldiers: carrying silk was easier than heavy metallic coins over the rough terrain. Soldiers exchanged pieces of silk with traders to buy essentials, thus introducing silk as a form of currency. 1 Thousands of silk bolts were spent to buy prized horses from Samarkand and Arabia, making the Chinese army more mobile. 2 The oil and gas pipeline that now forms part of the New Silk Road brings a similar source of mobility — but a very different type of energy.

Although enterprising and intrepid foreign traders, rather than Chinese traders, were the prime movers of the Silk Road exchange, the safety of their commercial transactions was sustained by China’s imperial power. The Tang army garrisons in Central Asia and the Mongol Army played a key role in keeping the important trade artery open.

The trade routes through the South China Sea and Indian Ocean that Beijing now calls the Maritime Silk Road also allowed China to demonstrate its naval prowess. In the early 15th century, a large armada commanded by the Ming Admiral Zheng He ruled the waves in the region’s so-called Treasure Fleet of Zheng He not only brought wealth to China, but the thousands of soldiers sailing in his vessels enforced Chinese domination by punishing rebels and pirates and bringing insubordinate Southeast Asian rulers back to China.

Unlike in the past, when palace intrigues and fund shortages led to the end of Zheng He’s expeditions, China today boasts a growing blue-water navy armed with nuclear powered submarines and intercontinental ballistic missiles. Although China never mentions it, its vastly expanded trade and investment zone planned through the New Silk Road enjoys greater security than the Tang garrisons could ever have provided. It also is a cause of great worry for China’s Asian neighbors.

Modern Might

The New Silk Roads are different from the historic trade routes in other fundamental ways. The historical Silk Roads served as connectors for trade and cultural exchanges and provided the wherewithal for military prowess (Arabian horses for the Tang dynasty), but they had little political significance. In contrast, the New Silk Road is an overt expression of China’s power ambitions in the 21st century, aiming to refashion the global geopolitical landscape. In a speech delivered at China’s Defense University, General Qiao Liang said that his country’s One Belt, One Road initiative is “a hedging strategy against the eastward move of the US” to Asia.

President Xi presented a more straightforward political argument. “The interests of Asian countries have become intertwined, and a community of common destiny has increasingly taken shape.” The implication being that under Chinese leadership, the New Silk Road has emerged as a critical thread binding the Asian community. In a subtle dig contrasting China with the US, he said that for China “being a big country means shouldering greater responsibilities for regional and world peace and development, as opposed to seeking greater monopoly over regional and world affairs.” With its US$40 billion Silk Road fund as well as US$50 billion for the Asian Infrastructure Investment Bank (and the BRICS New Development Bank), China is trying to demonstrate its readiness to shoulder more responsibility for the region’s development.

It is this huge Chinese initiative that distinguishes the New Silk Roads from the old. If Sogdian and other Central Asian traders traveled desert and mountains in search of profits, and monks in search of enlightenment and converts, their journey was essentially from one direction: west. Chinese citizens (as the famous 7th-century monk Xuanzang found while setting out for India) were forbidden from traveling beyond the country’s borders. Today, roles are reversed, with the Chinese government along with private traders and investors taking the initiative to develop trade and transportation networks. With Beijing’s investment-led growth model reaching its limit, leaders are seeking new pastures to invest their capital and reserves and discover new markets and energy sources. As Therese Fallon put it, “Like the silken strands on a loom, these drivers will weave together to create a fabric of interconnected transport corridors and port facilities that will boost trade, improve security and aid strategic penetration.” 4 The Chinese press reports great enthusiasm among provincial government and business leaders at the prospect of opening up new opportunities with official help.

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The traditional geographic confines of historic trade routes are also being expanded. The New Silk Roads now touch Africa and Latin America. Although China is wary about officially including Latin America in its One Belt, One Road strategy (Chinese officials say the continent is still under US influence), this has not stopped China’s official Global Times newspaper from calling the private Chinese proposal for a second Panama Canal a “new bridgehead for the country’s ‘One Belt, One Road’ strategy.” Africa, though, is very much part of the project. Chinese government maps now show the Kenyan capital of Nairobi as a stop on the New Silk Road. Meanwhile, officials in Beijing are planning a US$3.8 billion railroad connecting Nairobi to the Indian Ocean port of Mombasa.

Indeed, the challenge for China going forward may be one of hearts and minds rather than dollars and cents. The palpable excitement and enthusiasm of Chinese enterprises and private investors stands in sharp contrast to the reticence and anxiety of their would-be foreign partners. This disconnect has led some Chinese scholars to warn against a backlash from nationalistic neighbors. One of China’s leading commentators on foreign policy, Professor Shi Yinhong of Renmin University, wrote an appeal to Chinese leaders urging prudence in their zeal for development. Beijing has to realize, he wrote, that “it’s vital to fully engage the countries on whose sovereign lands the infrastructure systems are to be built, and this includes conducting far more international consultations than has been the case up to now.” 5 He urged Chinese leaders not to repeat the “disastrous mistakes of Western universalism.” They should not assume that “growth through huge investment — which has characterized China’s economic development in the past two decades — is universally applicable and welcomed by all.” He pointed out that nations may have “doubts and worries about longer-term issues, including sovereignty, autonomy and the distribution of prospective benefits” from huge infrastructure projects. China’s words and deeds, he said, should add up to effective “soft power” with a widespread and profound positive influence, which, as the ancient Chinese poet Du Fu wrote, “moists all things softly, without sound.”

There are new wrinkles too. Following the devaluation of the renminbi, which cost the Chinese treasury US$90 billion and helped cause the August 2015 market crash that destroyed US$300 billion in wealth, China’s enthusiasm for massive investment has taken a knock. Thailand and Indonesia, meanwhile, have cancelled some projects that would have been part of the New Silk Road. This may all prove to be mere bumps on the road for a transformational project, but despite successfully marketing a shiny brand name, China’s New Silk Road, as it stands now, may not be as smooth as silk.

Nayan Chanda is Editor of YaleGlobal Online and a member of GlobalAsia’s editorial board. He is the author of Bound Together: How Traders, Preachers, Adventurers and Warriors Shaped Globalization (Yale University Press, 2007).

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German geographer Ferdinand von Richthofen coined the term Silk Road in the 19th Century.