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New Silk Road:
a recap of the initiative and prospects for cooperation on the Eurasian space

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One Belt One Road
= Silk Road Economic Belt + 21st Century Maritime Silk Road
6 economic corridors bridging the roads

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa

1. China-Indochina Peninsula
2. Bangladesh-China-India-Myanmar (BCIMEC)
3. China-Pakistan (CPEC)
4. New Eurasian Land Bridge
5. China-Central Asia-West Asia
6. China-Mongolia-Russia

Source: Hong Kong Trade Development Council
Integration endeavors on the Eurasian economic space

One Belt One Road (OBOR) or New Silk Road: pillars

1. Policy coordination
2. Cross-border connectivity
3. Unimpeded foreign trade
4. Financial integration
5. People-to-people bonds

- OBOR
- EAEU
- EU
- Customs union
- Common market
- Economic union
- Preferential trade agreement
- Free trade area
- Financial integration
- People-to-people bonds
- Cross-border connectivity
- Unimpeded foreign trade
- Policy coordination

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Policy pillars and strategic goals of OBOR

One Belt One Road proposed pillars

1. Policy coordination
2. Cross-border connectivity
3. Unimpeded foreign trade
4. Financial integration
5. People-to-people bonds

Explicit and implicit strategic goals

- Economic growth and development model revisited
- Facilitate development of lagging regions of China
- Secure access to strategic resources
- Access to new markets and Yuan promotion
- Geostrategic interests: influence and stability in the region
Strengths of OBOR

- Flexibility: “initiative/vision” rather than a formalized integration arrangement
- Strong financial underpinnings: Silk Road Fund, China Import-Export Bank, China Development Bank, AIIB. Over $100 bn announced.
- High competitiveness and flexibility of the private sector
- Large country in terms of economic size, area and population

Weaknesses of OBOR

- Flexibility: unclear regulatory framework and expectations
- Challenging region: geography and poor infrastructure, geopolitical tensions and fragile states, structural weaknesses, etc.
- Multiple borders and regulatory regimes
Cooperation prospects

- **OBOR: threat or opportunity?**
  - Central Asia: development and connectivity opportunities at the risk of higher long-run dependency on China
  - EAEU: open to dialogue, limited capacity to engage
  - EU: unclear “political intentions” of OBOR, competitiveness of China’s economy

- **Way forward:**
  - Foster pragmatic dialogue
  - Avoid forcing ‘either-or’ choices for the countries concerned
  - Identify areas of common interest: infrastructure connectivity, supporting integration ‘from Lisbon to Vladivostok’, development assistance for the fragile countries of the region
Thank you!

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