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HE WEI

Bridge builders of one belt one road 'Why, what and How' of the AIIB and SRF

Abstract

The history of AIIB and SRF is shorter than most of institutes, however so far the two institutes have earned their reputation through business development, and enhanced the confidence of world to B&R initiative. The key hypothesis of this paper is that the two institutes are not some kinds of economic weapons invented to destroy existing world order but new organizations to improve cooperation of countries.

The AIIB and SRF are welcomed widely especially by the members in core region of B&R initiative for several reasons. First, they play indispensable role as the public financing institutes, separately being classed as MDB (multilateral development bank) and SWF (sovereign wealth funds), both are important for Sustainable development investments. Second, they may help to transfer experiences of China and other fast growing countries to undeveloped countries. The third and may be the most important point is, the two institutes may help more cooperation to be realized following B & R initiative.

The missions and functions of the two institutes are fostering sustainable development, promoting regional cooperation, and decreasing the barrier of infrastructure financing. By provide debt financing and capital financing respectively, the two institutes may satisfy different customers with demands of the infrastructure financing in the region.

With the transparency process/governance, the two institutes will act not only new pools of development financing in belt

and road region, but also a promoter and organizer of development financing industry, which may bring more opportunities to the countries in the region, and improve both intergovernmental and non-GOV cooperation to boost infrastructure financing.

The scale of the business of the two institutes has been increased apparently since founded, mainly attributed to regenerative feedback effect caused by multi-win strategy, and the unique position pegged with one belt one road initiative.

One interesting thing for IR scholars is , the two new institutes, as long as China the initiator of B & R initiative, have been doubted by some countries while embraced by some others, for being labeled as challengers of the existing world order. This may remind scholars the metaphor of the trap of Thucydides: the trap did exist for those who thought the threat was there and tried to prevent it happened.

Keywords: B&R initiative, development finance, AIIB , SRF

The emerging of the two new financial institutes, Asia Infrastructure Investment Bank (AIIB) and Silk Road Funds (SRF), was considered as a remarkable event in recent IR study. Both institutes had been founded as supplement measure to underpin One Belt One Road initiative (B&R initiative), which was considered as an action of China to challenge existing order of international finance. Three questions were raised to analyze effects of the two institutes to existing international finance pattern:

- What are the functions of the two institutes?
- Why these two institutes were founded?
- How to implement the functions as designed?

What: The Purposes and functions of the two institutes

According to AIIB's Articles of Agreement, AIIB will focus on investment in infrastructure sector to support sustainable economic development, with clear defined purpose and functions as follows¹:

The purpose of the Bank shall be to: (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors; and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions.

¹ Articles of Agreement, Asian Infrastructure Investment Bank, https://www.aiib.org/en/about-aiib/basic-documents/_download/articles-of-agreement/basic_document_english-bank_articles_of-agreement.pdf

The Bank shall have the following functions:

- (i) to promote investment in the region of public and private capital for development purposes, in particular for development of infrastructure and other productive sectors;
- (ii) to utilize the resources at its disposal for financing such development in the region, including those projects and programs which will contribute most effectively to the harmonious economic growth of the region as a whole and having special regard to the needs of less developed members in the region;
- (iii) to encourage private investment in projects, enterprises and activities contributing to economic development in the region, in particular in infrastructure and other productive sectors, and to supplement private investment when private capital is not available on reasonable terms and conditions; and (iv) to undertake such other activities and provide such other services as may further these functions.

The purpose of SRF shows a different level of the aim which emphasizes more on cooperation and connectivity, and the centre of the business vision is to support B&R initiative²:

Following a philosophy of openness, inclusiveness and mutual benefit, the Fund mainly provides investment and financing support for trade and economic cooperation and connectivity under the framework of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road Initiative. In collaboration with domestic and international enterprises and financial institutions, the Fund is designed to promote common development and prosperity of China and other countries and regions involved in the Belt and Road Initiative.

² Article of association, Silk Road Funds, <http://www.silkroadfund.com.cn/enweb/23786/23796/index.html>

The difference of the wording in the purpose between the two institutes reflects their distinctive positions. As a multilateral institution, AIIB should stand for the common benefits for all member states. Though the operation of AIIB strongly underpin the B&R initiative, the wording of its purpose may not have too much Chinese background and should express its independent status without too much influence by China. However, SRF has no reason to disguise the status of state owned sovereign funds and represents benefit for China.

Public financial institutes of B&R regions

Three key words selected from the above cited purposes of the two institutes might illustrate the thresholds of the pipeline projects of the two institutes, which are sustainable development, connectivity and collaboration common development. Thus both of AIIB and SRF should be classified as public financial institutes operating in B&R regions and playing important role in long term development financing to support projects such as strategic resource exploring and infrastructure building.

Infrastructure projects normally require longer payback term and lower cost of the funds, thus it's hard for commercial financial institutes to take the cases.

SRF has more flexibility for its operation module as an equity fund instead of a bank. Besides working on project level, SRF may also initiate new bilateral funds with other parties, most of which are sovereign funds. These sub-funds may work on certain area such as energy exploring and transportation.

Sustainability inherent in Connectivity

Sustainability of development financing means that the financed project would yield positive output. Sustainable development criteria should be defined in national financing strategies, which means policies and incentives should incorporate it into financing strategies and implementation approaches to support development in economic, social and environmental dimensions.³

In economic aspect, the development financing facility is not a charity or unilateral aid and the financed project should be kept running in healthy manner as proposed in feasibility study so that the facility can be paid back in time with agreed interest. Thus the financing capital would be kept cycling safely in different projects, instead of being eroded in loss-maker projects without positive output.

In social aspect, a financed project should promote the welfare and productivity of the sociality, while the building and operating of the project show no negative effect to environment and other social wealth. This should be appraised by laws and regulations as well as culture elements.

For an infrastructure project which may not be invested for profitability of itself but for the sustainable benefit rooted in the enhancement of productivity and economic output of the region promoted by the project, the repayment resource of the funding should be laid on public expenditure allocated by sovereign treasury. The sustainability of the project should be double confirmed by both the financial institute and the government of host country. On-going monitoring and appraising

³ Report of the Intergovernmental Committee of Experts on Sustainable Development Financing (PP. 13-14), United Nations New York, 2014, United Nations publication

should also be implemented during the lifecycle of the project to ensure the key performance index to reflect the sustainability may reach or even overwhelm the target aim of the project.

To enhance connectivity means to improve efficiency of transferring of materials, goods, population, information and funds. It is one of most important standards to underpin the Sustainability of projects to be selected by the two institutes. With function of decreasing costs of elements transferring while increase the efficiency of the resources exploring, production, and trade, the infrastructure projects may improve connectivity by their nature.

Collaboration instead of the unilateral aid

Collaboration is another key caliber of the projects to be financed. Both international development financial institutes and project host governments are key players in development financing. Government is responsible for the development of its own county, setting up strategy as well as policies to reach the targets of development, search and use financing resources to implement the development plan.

Collaboration means benefits had been identified and acknowledged by two parties participated in the cooperation, which implied the cooperation is not a zero-sum game. In practice during 2013-2015, there were 192 B&R initiative related loans/commitments signed/committed by the Chinese Government institution, representing around \$135 billion aggregate amounts. Ministries of Finance from the recipient countries had validated most of cases.⁴

⁴ Chinese Policy Bank Loans and the Rapid Build out of the 21st Century Maritime Routes (2013-2015), Grisons Peak Special Feature, March, 2016, available http://www.chinainvestmentresearch.org/wp-content/uploads/2016/03/Article_Chinese-Policy-Bank-Loans_2013-2015.pdf.

Some opponents argued that it's doubtful that the two new institutes could reach the international high standards of transparency and efficiency as most infrastructure projects would be highly relied on government authorities with varied level of governance. This has certain extent of conflict with free market principle uphold by developed countries. However, from the view of supporters, since the environment of the business in most of B&R regions were less developed, collaboration between the two institutes and other institutes could help to introduce matured standards had been drawn from advanced practices into those less developed regions, which was also one of key contributions of development financing to the society.

Why: Reasons to establish the new institutes

One popular view supported by many scholars and evidenced by initial official announcements was that the two institutes were founded by China to facilitate B&R initiative. The inter-dependent relations between the emerging of the two institutes and the initiative of B&R could be deduced by the correlations between the goal of B&R initiative and purpose of the institutes, and also were implied by the subsequences of the time of the initiative of B&R and the two institutes.⁵

The initiative of B&R has been considered as a long-term activity since 2013, when Mr. Xi Jinping, the president of China, first raised it.⁶ The B&R regions has approximately 60%

⁵ M. A. Weiss , Asian Infrastructure Investment Bank (AIIB) , Congressional Research Service (R44754). 3 Feb, 2017. Available at : <https://fas.org/sgp/crs/row/R44754.pdf>

⁶ Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road, National Development and

of population of the world, thus from a view of realism, a new Marshall plan is a meaningful metaphor which refers to not only the economic effect caused by the initiative, but also the power transformation from the States to P.R.C.

Through research on Chinese foreign trade and investment in recent years, the scholar deduced four main goals of Chinese government B&R initiative⁷:

- Decrease the economy's dependence on domestic infrastructure investment and keep the contributions of economic output from related industries by transfer the investment to B&R countries.
- Improve popularization of Chinese Currency of RMB in international market with stable position comparable with other dominated currencies.
- Secure energy supply with more stable supplier countries and transportation routes, which is most essential to manufacture industry of China.
- Decrease transaction cost and improves economies on B&R countries, to increase the demands to Chinese products and services.

Financing had been considered as one of most important tools to catalyze enormous deals by bridge the gap between the requirements and productions for a long time, as showed by the enforcement of Marshall Plan.

The truth of the matter is that Europe's requirements for the next three to four years of foreign food and other essential products - principally from America - are so

Reform Commission of the People's Republic of China, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html. [accessed: 28.03.2015]

⁷ S. Djankov, *China's Belt and Road Initiative Motives, Scope, and Challenges*, Vol.1, pp. 6-10.

much greater than her present ability to pay that she must have substantial additional help or face economic, social and political deterioration of a very grave character. (From the speech given by General George C. Marshall, Secretary of State, at Harvard University on June 5, 1947)⁸

Insufficiency of development financing

One reason officially upheld by China for the foundation of the two institutes is the absolute insufficiency of the supplement of development financing in B&R regions.

We may have a quick overview on the situation of the market. There are a lot of international development banks (ADB, AFDB, CAF, EBRD, IADB) act as main development financial institutes especially for projects with low profit but high benefit to society, i.e sustainable development project.

Even sustainable projects are not necessarily have poor return rate of investment and may not only relied on public financing (for instance in China many of High-way projects are financed by PPP model or BOT model, most of which commercial financing with normal conditions), however, for those less developed regions, economic ecosystems may be very weak and direct economic outputs of infrastructure projects may be not enough to support high cost of commercial financing, thus infrastructure of these region were hard to be improved without development financing support.

The gap between the demands and supply of development financing in B&R region is huge. Per the estimation of ADB, a massive infrastructure funding gap of some \$8 trillion will

⁸ *The Marshall Plan Speech*, <http://marshallfoundation.org/marshall/the-marshall-plan/marshall-plan-speech/>

exist only between 2010 and 2020.⁹ Existing institutions cannot fill it: ADB has a capital base (money both paid-in and pledged by member nations) of just over \$160 billion and World Bank has \$223 billion. AIIB will start with \$50 billion in capital — hardly enough for what is needed but still a helpful boost.

The deep embedded reason for the insufficient supply of developing financing relies on the inconsistency or unbalance of the supply for goods and services provided by developed country and the demands of the undeveloped countries. Generally speaking, if one economic entity may provide goods and services matched with another economic entity that have ability to pay for it, financing may help to promote the trade between the two entities. Similar cooperation between financing sector and production as well as service sectors may also exist if one entity can gain from the output of investment in another entity.

However, from the breakdown of trade and investment in typical undeveloped counties, the partials from highly developed countries are far lower than those from undeveloped countries. In another word, the contribution of business with undeveloped countries did not weighed much in economics of developed countries. Thus there is no reason for financing sector or the government of the developed countries to put much emphasis on development financing.

⁹ B. N. Bhattacharyay, *Financing Asia's Infrastructure: Modes of Development and Integration of Asian Financial Markets*, "ADBI Working Paper Series", No. 229, <https://www.adb.org/sites/default/files/publication/156084/adbi-wp229.pdf>

Easier to start new than Change old ones

Someone may argue that since China is a member of most development financial institutes, it may initiate proposals to increase the supply of development financing instead of to introduce new institutes into the system.¹⁰ However, as mentioned, the reason of inadequacy of the public funding supply is that the existing development financial system relied too much on the developed counties.

Thus another motivation of China to found the new institutes is that, same as B&R initiative is to change the weight of the region in global economy, the two institutes are to change the under-represented position of China in MDB financing world.

Compared with the States and other developed counties, China enjoy larger volume of benefits from trade and investments in developing countries, and also rely more on the supply of energy as well as other bulk stocks yield from developing countries. However, China was a minor participator in MDBs in terms of voting share. In the beginning of 2014, China had only 3.8% voting shares in World Bank with 16.1% of share of global GDP while the shares of the States were 16.8% and 19.2% for GDP.¹¹ Chinese Voting share in ADB was also minority while Japan, U.S.A and other developed counties dominated majority of voting shares. Thus not too much influence might China hope to have in these MDBs, and it was

¹⁰ J. Jin, *The True Aim of China in Setting up the AIIB Challenging the International Financial System or Securing Multilateral Credibility?*, July / August 2015, Japan SPOTLIGHT

¹¹ R. Harding, J. Leahy, L. Hornby, *Emerging economies: Taking a stand*, *The Financial Times*, July 16, 2014, <https://www.ft.com/content/875d6570-0cc6-11e4-bf1e-00144feabdc0>

not realistic to promote the change of increasing underwritten facilities for Asia infrastructure investments to fit the initiative of B&R, while funds for development financing had been undersupplied globally for many years.

Thus for China it was an easier way to set up new institutes with more influence power, compared with long and complicated process to search change in old systems, which is hard to achieve not only for technical reasons but also for game equilibriums between member countries.

While member countries with leading power including U.S.A and Japan treated releasing of voting power in MDBs as a threaten to their leading position, it's hard to find Pareto Improvement to reach new equilibriums satisfying main stakeholders with hegemony guaranteed by veto rights in hand.

Holding 26.06% voting power, China possesses the veto power over important decisions at AIIB.

The disparity of voting power among the members shows some kind of certainty of the power distribution in AIIB.

How: The hard way to be founded and even prosperous

It's obviously that a new institute like AIIB may challenge the existing system and weaken the power of key players. The States hold opposite opinion of AIIB just as the way they treat other BRICS banks- they might oppose AIIB more than BRICS banks¹². Till the end of July 2017, the United States and Japan still kept distance from AIIB, while other 76 countries had joined the bank as members.

¹² Ch. Dixon, *The New BRICS Bank: Challenging the International Financial Order?*, "Policy Paper", No. 28, March 2015, The Global Policy Institute.

The attitude of the United States to the initiative of AIIB did affect many countries, which had been illustrated by the history of recruit members. The first announcement of the initiative of AIIB was made on 2nd, Oct. 2013. After 1 year, when the first memorandum was signed to prepare the founding of AIIB, only 21 of 65 countries in the B&R region participated¹³, most of which are less developed countries.

AIIB With only developing countries who have high demands of development financing as members and China as the funding source, AIIB would have only limited influence to the existing system.

AIIB AIIB The existing system of development financing would not be significantly challenged, and the supply of development financing would also not to be much changed. If this happened, B&R initiative would be undermined by lacking of financing support and participation of B&R countries, which would imply the failure of the initiative.

Advocating from UK and other developed countries

However, on 12th, March, 2015, the United Kingdom announced to join AIIB, which was criticized by the United States. The decision of the United Kingdom may be driven by two key opinions, which were also held by other members of AIIB. One is that B&R initiative would boost the economic development of the given region, while the other one is that China would put its strength to enable the initiative to be reality. The United Kingdom is much closer to the region of B&R and the financial sector is one of pillars to the economics

¹³ 21 Asian countries sign MOU to set up AIIB, "Xinhua", October 24, 2014, http://www.china.org.cn/world/2014-10/24/content_33864818.htm.

of the UK. Embracement the change caused by AIIB may bring more benefits than refusing it.

“This government has actively promoted closer political and economic engagement with the Asia-Pacific region and forging links between the UK and Asian economies to give our companies the best opportunity to work and invest in the world’s fastest growing markets is a key part of our long term economic plan. Joining AIIB at the founding stage will create an unrivalled opportunity for the UK and Asia to invest and grow together”.¹⁴

The UK’s decision of participation in AIIB was appraised as a flag followed by other developed states including Germany and France. This may reflect the fact that European countries also regard B&R as a serious initiative, and cooperation with AIIB may bring more opportunities to participate in the developing process of B&R region, which was important for these countries to keep or expand the leading position with existing advantages on production capability, finance operating and hi-tech research.

Multiplayer instead of bi-polar pattern

The participation in AIIB may also show the interests of these member countries to B&R initiative, which make the B&R initiative different from Marshall Plan for it not only has China as a solo dominator in the plan but also lot of roles can play for those countries who wish to have their benefits expanded

¹⁴ *UK announces plans to join Asian Infrastructure Investment Bank*, The Rt Hon George Osborne, HM Treasury, 12 March 2015, <https://www.gov.uk/government/news/uk-announces-plans-to-join-asian-infrastructure-investment-bank>

with B&R initiative.¹⁵ This can easily be understood, for the potential enormous benefits in B&R initiative can be illustrated by abovementioned requirements of infrastructure investments, and the member countries may enjoy more benefits through cooperation in the development financing and projects to be facilitated, for instance, expand markets for domestic suppliers of core parts of equipments and technologies.

For instance, the Greek port project has been initiated for creating a new trade link between Central Europe and Asia via Greece and the Balkans, which affects both intra-EU relations and EU–Asia relations. By stimulating the development of logistics and transportation, the new link would benefit for the stability and economic growth of EU.¹⁶

Though warned by U.S., the ones who expect to benefit from B&R initiative are keen to join AIIB before others do so, and they believe others may hold the same attitude. If the real world may be simplified into the scenario of which all players have same interest and information of each other, per the game theory the results will be very simple, and they will make positive decision to participate the play as soon as possible.

Two key assumptions are implied to apply the game theory on the analyze .One assumption is that the initiative would be a long run game; while the other is all participators may gain from the game. Both of the two assumptions are to reflect the determination of China to promote B&R initiative as a key long term development strategy.

Actually, from the time when B&R initiative was first raised to year 2015, China had proved its firm determination with

¹⁵ G. Grieger, *One Belt, One Road (OBOR): China's regional integration initiative*, July, 2016, European parliament research service

¹⁶ F. van der Putten ,M. Meijnders, *China, Europe and the Maritime Silk Road*, March 2015, Clingendael report, p.5-6.

a lot of infrastructure projects as aforementioned in the B&R region, some of which had already changed original pattern of trade and investments of the region. The increasing members of AIIB illustrates that from views of more and more countries, the two assumptions are seemed to be true, and B&R initiative are more inclined of multiplayer model. The surrounding countries had to take it as a serious decision if they will make choice to join the list of player as soon as better.

SRF as lever Fulcrum of B&R and AIIB

While AIIB is backed by states of members, SRF is owned 100% by Chinese government. SRF was first introduced on 4th, Nov, 2014 by Chinese government. The founding of the institute showed world strong evidence that China did treat B&R as a long term play. SRF was initially funded with 40 Billion dollars, which equaled to 80% of capital of AIIB.

SRF had more flexibility than other multi-institutes for it being agent of solo Shareholder of China government. Thus the founding of SRF can be treated as a lever Fulcrum to change the attitudes of some states to B&R initiatives. With benefits of bilateral deals arranged by SRF, some countries might change their role from spectators to advocates of the B&R and AIIB earlier than other counties, who would be affected by the change of their coalition county later.

Abundant reserves to be explored

Another reason for the broad advocating to AIIB is that there were abundant resources of development financing had been wasted for long time due to inefficiency of existing financial system. Foreign currency reserves which hold by governments

were far more adequate than the safety level they should be preserved, while yield nothing for its unused status of deposits in IMF accounts and other status of reserves.¹⁷

New established development financial institutes such as AIIB may make win-win deals by using these underexplored reserves in long term development financing, which may increase the return rate to countries who contribute their abundant reserves while not cause inflation due to oversupply of currency in the facility aimed country.

Focus on Right things

To achieve aforementioned purposes, the two institutes must define critical criteria for projects to be engaged. As showed on the website of AIIB:

AIIB's project process is guided by its strategic goals and thematic priorities: sustainable infrastructure, cross country connectivity and private capital mobilization.

Three principles claimed by Jin Li Qun, the President of AIIB, further illustrated the key standards of qualified candidate projects¹⁸:

- (1) The project must be possible in enforcement and operation with positive expected economic value.
- (2) The project must be environment friendly.
- (3) The project must be supported by the government of host country.

¹⁷ World Economic Situation and Prospects 2015, United Nations, p. 64. http://www.un.org/en/development/desa/policy/wesp/wesp_archive/2015wesp_full_en.pdf

¹⁸ Z. Qianxian, *Jinliqun: three principles shall be hold on to finance OBOR countries*, 15 May 2015, "Xinhua Telecom"

In practice, the development financing institutes draw great attention on the compliance aspect of the project selection and approval process. The executive committee of the institutes would scrutinize and verify if the projects comply with the internal policies before the final approval granted.

Similar principles and implementation processes are also implanted in the operation of SRF, with more flexibility and openness in terms of operating model and project host countries.

Existing experience and resources

As above discussed, the development financial institutes has different characters and process from commercial financial institutes. Thus the experience or know-how is the most important element for AIIB and SRF, especially on how to implement proper process to communicate with shareholders, develop strategy as well as finance projects, and cooperate with other institutes.

Though the two institutions have only operated for a short while, China's development financing keep prosperous in both domestic and international market for a long time. With productivity increase and technology progress, development financing has been boomed to support trade and investment between China and other countries for almost twenty years, and with no doubt B&R region has been the most attractive hotspot in recent years. For instance, China Exim bank recently disclosed that its credit portfolio in B&R region had reached 1200 cases with almost 100 billion dollars loan balance.¹⁹

¹⁹ H. Xiaolian, *Construct the safeguard system of financing for B&R*, May 2017, No. 9, China financing.

The existing base of development financing may help the two institutes in start-up stage to recruit qualified management team and staff to initiate the business in proper way. The two institutes have also recruited staff openly worldwide, which may help to absorb experiences of good practices on how to deal development financing business with diversified backgrounds.

However, knowing how to learn is more important than knowing what's in hand so far. The development space is much larger than any time before for AIIB and SRF. For the infrastructure projects to be financed, the technology level, culture background and most important, the expectation and tradition of development financing by government in host countries are totally different.

As start-up institutes, there're long ways to go for both AIIF and SRF. It may be a bit earlier to judge if the two institutes are on the right way to achieve their goals, however, with the broadly participation of sovereign institutes, the achievements of the two institutes should be self-evidenced by their contributions to B&R regions in the future.

Summary: A new pattern of development finance in B&R regions

During aforementioned discussing, it's clear that there are apparent differences between the two new established financing institutes and existing development financing institutes in terms of missions, functions as well as operation models.

Since the missions of the institutes are inherent within the B&R initiative, the core functions of the two institutes are to facilitate collaboration of states of B&R regions in infrastructure developing, which would introduce a sustainable development model to improve connectivity and efficiency

of the regions. This may be a new pattern of development finance for the B&R regions in future.

As we know rivers are common nature barriers to block trade and economic development in the past and even now in some areas of the world, for the cost of a bridge could be too high to be afforded by people who lived in two banks of the river for decades or even centuries. Thus why the Mehmed Paša Sokolović Bridge in small town of Višegrad, Bosnia and Herzegovina, was appreciated as an incredible masterpiece which changed fates of lot of people in hundreds of years, as the episodes of 'The bridge on Drina river' showed to us, which was written by Yugoslav writer Ivo Andrić.

While nature barriers still exist in lot of place, there are nowadays some other artificial barriers to block international connectivity, which are harder to remove than ever due to lack of collaboration, experience, and financing support. The more bridges were built to span these barriers, the better of the world would be. Thus Bridge Builder may be a proper personified role expected by B&R states for the two institutes.

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Anna Tido

One Belt, One Road initiative and China-Russia relations – deep partnership or tactical alliance?

Abstract

The article looks at the initiatives in the OBOR framework, but also more broadly into the relationship between Russia and China and the identities of both states. The immediate factors encourage the present state of friendly rapprochement. At the same time, there is something missing for the deeper relationship, which could last. OBOR is declaratively endorsed by Russia, but it is also seen as a competitive project for influence in the region, especially in Central Asia. The article looks into similarities in Russian and Chinese values, such as securitisation of democracy and juxtaposition to the West, but also brings up the differences such as the attitudes to religion, work ethics, tactics in foreign policy. The conclusion is that China and Russia are rather competitors in the region than strategic allies.

Keywords: China, Russia, identities, values, competition

One Belt, One Road Initiative (OBOR) is called the project of the century by Chinese authorities, and it is endorsed and looked upon with enthusiasm regionally, including by Russia. The last official two-day visit of President Putin to China took place on 14 May, 2017. He participated in the Summit of twenty-nine heads of states and governments of the “One Belt – One Road” initiative (lenta.ru, 2017). During the visit, among other things, the Russian side proposed the initiative of “Energy Ring” uniting Russia, South-Korea, Japan and China (Latuhhina 2017). The economic cooperation is thriving, and the plans of energy cooperation are in full swing.

After describing the cooperation in the framework of OBOR, this article will look more deeply into the relationship between Russia and China concentrating on the identities of both states. I analyse the immediate factors in the relationship, which encourage the present state of friendly rapprochement. At the same time, I argue that there is something missing for the deeper, more strategic relationship, which could last. OBOR is declaratively endorsed by Russia, but on a more deeper level, it is seen as a competitive project for influence in the region, especially in Central Asia.

The positive relationship between Russia and China can be illustrated by several important agreements. The 2014 Strategic Partnership, ratified shortly after Russia’s annexation of Crimea, is widely regarded as the most enhanced in terms of depth and breadth of economic, political and security relations of any one of China’s or Russia’s network of partnerships. One of the most publicized and high-profile deals connected to this project is 40-year gas supply agreement between Gazprom and China National Petroleum Corporation (CNPC) (Savic 2017). The important declaration was also signed in order to integrate Eurasian Economic Union with OBOR. It is

not a merger, but a linking up. The first avenue of this initiative involves finding and identifying investment projects, particularly logistics and infrastructure projects that would increase connectivity. The second avenue involves increasing trade by establishing a free trade zone or an economic partnership that would enable and facilitate trade. This partnership would concentrate on trade-facilitation measures, such as investment protection, removing red tape on customs, and merging different standards on intellectual property, customs and other areas (Shtraks 2016).

One can argue that China needs Russia on the side of OBOR mainly for political reasons. OBOR would create an infrastructure in many nations that were previously under Moscow's influence. In this respect, the goodwill of Russia is much welcome. For China, OBOR is much about symbolism, the project that would prove the Chinese people that China is a world leader able to summon to Beijing diplomats and prime ministers to pay tribute. Many suspect that for Russia it is mainly about money and infrastructure investment. First, Russia wants some new funds for infrastructure, Secondly, it wants to bring new energy to the Eurasian Economic Union, and thirdly, it would like to compensate for the vanished agenda of SCO (Shanghai Cooperation Organisation) (Devonshire-Ellis 2017).

We could go on describing the economic projects planned between China and Russia, but my idea is to look behind the declarations, and see, if this partnership is based on deep understanding or is more of a declarative kind. First of all, let us see the similarities in terms of rhetoric of two states.

Similarities in values, securitization of democracy

I consider political discourse an important element of international relations, as the constructivist perspective allows us to see deeper identity politics trends. Russia's foreign policy is largely continuous, building upon the so-called principle of multilateral world order with Russia being as an important pole and strategically great power. Russia also emphasises the principle of respecting international law, by which, among other things, the sovereignty and non-interference in internal affairs are meant. Foreign Policy concept of the Russian Federation of 2016 dedicates the paragraph to the relations with China, stating that "Russia view common principle approaches adopted by the two countries to addressing the key issues on the global agenda as one of the core elements of regional and global security" (Foreign Policy Concept 2016). Among common challenges, so-called new challenges and threats are mentioned.

Chinese foreign policy can be characterised by continuity as well. For the last sixty years the so-called "Five Principles of Peaceful Coexistence" have been underpinning the policy. These are 1) mutual respect for each other's territorial integrity and sovereignty; 2) mutual non-aggression; 3) mutual non-interference in each other's internal affairs; 4) equality and mutual benefit; and 5) peaceful coexistence. The foreign policy objectives are officially domestic political stability; sovereign security, territorial integrity and national unification and China's sustainable economic and social development (Carlsson, Oxenstierna and Weissmann 2015). Among other Xi's time initiatives on foreign policy, the authors cite the "One Belt, One Road" project. Some commentators note that it is used to balance Russia's influence in Central Asia. The strategic

value though of this project is the promotion of the “China model” and see it assimilated by neighbouring economic entities (Shen, 2016).

Both countries also understood well the importance of “soft power”, the concept of Joseph Nye. It is interesting that both China and Russia see this concept more as one of the non-military ways of gaining more influence abroad, not as the power of attraction in the Western sense of this term. “Soft power” in the West is a useful but somewhat contentious term, may be broadly understood to mean the use of a range of tools, including non-governmental ones, to co-opt – rather than coerce – others to achieve desired goals. The Russian understanding of the term is more in the context of an information campaign: the Concept on foreign policy, for example, refers to the “illegal” use of soft power to pressure sovereign states, intervene in their internal affairs and destabilize them by manipulating public opinion. Russia’s “soft power” is understood as a means of promoting Russian culture and language and countering “soft” attacks on the country (Monaghan 2013).

Chinese approach to soft power was most clearly identified in 2007, in a political report to the 17th National Congress of the Communist Party of China, it began to articulate the theoretical basis for soft power, based on a combination of modern Marxist and ancient Confucian thought. The principles though developed very much in opposition to the Western and first of all American values of democracy, human rights and freedom of speech. The values of Confucianism include loving others, devotion to parents and siblings, harmony in thought and conduct. There is more debate about what constitutes the socialist values system, according to Hu Jintao these can be prosperity, democracy, harmony as important to nation-building, civilization, freedom, equality, justice,

rule of law, as important for the construction of an ideal society, patriotism, respect for work, faith, and friendship (Sayama 2016). The actual exploitation of the soft power can be seen in the network of Confucius Institutes. There are now thousands of institutes in more than 100 countries around the World. Their aim is to promote culture and language studies abroad, but the West often criticizes these institutions for suppressing discussions on current political issues. In public diplomacy, China addresses not only wide audience, but more specifically the Chinese diaspora. In particular, China is keen that its message on key issues such as Taiwan and historical relations with Japan are shared by those in the diaspora (Sayama 2016). The second goal is to build a positive image of China among Western publics, especially through the media, such as CCTV, which started broadcasting from Washington and Nairobi (Sayama 2016).

In Russia, the promotion of one's values has taken quite a similar trajectory. The "Russian World" concept promotes Russia as a unique civilisation. This approach stemmed from two main directions: the Russian Orthodox church and the neo-eurasianists. But by 2008, the state has taken on the same notion, which can be also called Putin's conservative agenda. Although the geography of Russia as a civilization remains imprecise, the contents of this civilization are clearly rooted in conservative values. The frequency of the term "morality" (*нравственность*) and of the adjective "spiritual" (*духовный*) in Putin's speeches has increased in recent years, especially since his return to the presidency in 2012. The Kremlin understands morality as respect for "traditional" values: the heterosexual family (non-recognition of LGBTI rights); an emphasis on having children as a basis for individual life but also for the country's demographic health; the fight against

alcoholism; and respect for the elderly and for hierarchy (Laruelle 2015).

Russian idea of the “Russian World” is leaving unclear where the borders of this imaginary Russia stop, the definition of “compatriots” abroad is also left quite blurred. The notion of protection Russians abroad though takes a central stage in Russian foreign policy. The existence of the “diaspora” made it possible for Russia to feel like a great power and justify the possibility to act outside the Russian borders on the pretext of protecting Russians abroad. It also justified the leading role of Russia in the post-Soviet space and added to Russia’s seeing itself as “a great power. Neil Melvin argues that the topic of settler communities, of Russian diaspora, became central in defining the new Russian national identity. As a result of internal political battle the two notions of ethnic (*русский*) and civic (*российский*) were merged together in a highly ambiguous relationship. The notion of Russian diaspora thus supported the myth of Russia as a homeland, as a great power. Russia reinvented itself as a kin-state, a homeland, as a powerful protector (Melvin 1995).

The main common feature of both states’ political discourses is the juxtaposition of their values and civilizations to the West. It is deeply enrooted in both countries’ understanding that their civilizations are unique, ancient and, most importantly, different from the West. The West is the “Significant Other”, which helps to provide for the national identity. There are some common features of these “anti-Western” values, for example, collectivism, the respect for traditional family and the respect for hierarchy.

It is allegedly Vladimir Putin who advised former President Hu to be careful about so-called colour revolutions and NGO activities. The crackdown on civil freedoms in China

intensified especially after Xi Jinping came to power in 2012. The four draconian laws were passed or in draft during 2015, which have given state authorities virtually unlimited powers to detain, arrest, and imprison citizens who are deemed to be threats to the state (Shambaugh 2016). The similar processes have been going on in Russia since Vladimir Putin consolidated his power.

This process can be analysed as “the securitization of democracy”. I use the term “securitization” in the meaning of Copenhagen School of security studies. Securitization is thus the utmost phase of politization, bringing a certain issue high on the security agenda, justifying thus the extraordinary measures to fight against the alleged threat. Such a threat is so obvious and clear according to the official discourse that no discussion in the society is previewed. In this case the threats to identity are securitised i.e. “presented as an existential threat, requiring emergency measures and justifying actions outside the normal bounds of political procedure” (Buzan, Waever and De Wilde 1998). This process is taking place in all societies notwithstanding if the regimes are democratic or autocratic, but, surely, in autocratic societies such as China and Russia, the discourse is generally much more influenced by the authorities. Both countries see pro-democracy movements as the main threat to the state. One can argue, if these states actually disregard the real threats to the societies (such as, for example, demographic situation in Russia or environment issues in China). The both regimes though mostly care about staying in power and thus the threats to the state seem to be the most important.

Differences in values, prejudices

As we looked in detail into the similarities between the authorities' declarations on values as opposed to the West, it is tempting to forecast that this common trend will lead to a deeper strategic relationship.

Let us analyse the differences now. In terms of propagated values, I see one of the main differences is the role of religion in society. As it is widely known, China has not practised an official monotheistic religion throughout history, its traditions stem from different sources, such as Confucian, Buddhist and Daoist philosophies. The Chinese people had their myths of creation, traditions of worshipping the dead, religious festivals and rituals. With the present Communist authorities, the official understanding is atheism, according to Marxist principles. The Chinese identity is very much based on the long history, the identity of the Han people as the descendants of the legendary Yellow Emperor, the continuity of the Chinese Empire through all dynastic changes and foreign rule; the uniqueness of the Chinese language and the Chinese thought (Meissner, 2006).

Russian history is different. The Orthodox religion stems from Byzantine Christian tradition, which followed the schism between two Christian churches. It also led to the messianic culture in Russia, as it was considered the Third Rome. The first Rome fell, the second one, Byzantium, fell as well, and Moscow is destined to continue the civilizationist role, spreading the true faith. The Orthodox faith was very much connected to the Russian Empire as a state in the past. After the October Revolution, Orthodox faith was officially abandoned, but Bolsheviks did not realise how deep the faith ran through the Russian identity. During the Second World War

(known in Russia as the Great Patriotic War) Stalin started to rehabilitate the church in order to unite the people. The church has not fully returned to the stage before 1991 though, but during recent years especially, it became very important part of the Russian authorities claim for legitimacy. Now one can speak about the amalgam of the state and the Russian Orthodox Church. The ethnic identity of contemporary Russians could be defined by term "*русскость*", understood as a feeling of belonging to the Russian nation and civilisation. *Русскость* is based on the Orthodox confession, the memory of the Russia's greatness, Russian language and culture, love of the Russian motherland and the bond between Russians in the area of the „Russian world“, including not only citizens of the Russian Federation, but also Russians in the “near abroad“ (Wierzbicki 2015).

One can claim that the Russian political discourse overemphasises the role of religion, and people actually do not practice the Orthodox faith that much. Still, one can see that the role of religion in China and Russia is perceived very differently by people. Thus, the World Value Survey (www.worldvaluessurvey.org) estimates that religion is very important (14,3%) or rather important (27,5%) for Russians, and the same numbers for Chinese are 2,6% (very important) and 8,0% (rather important).

The second important difference between Russian and Chinese identities is the work ethics, the term made famous by Max Weber, and overexploited since. Mas Weber emphasises the influence of Protestantism on the development of capitalism due to the work ethic. Some researchers though claim that the Confucian work ethic is not that far from the Protestant one. The Confucian work ethic consists of a belief in the value of hard work, loyalty to the organization, thrift,

dedication, social harmony, a love of education and wisdom, and a concern for social propriety. Both Confucian and Protestant ethics emphasise that employees can achieve the self-fulfilment through dedication and devotion to work. Both emphasise rather the achievements in this life than after-life (Rarick 2007). In Russia, Orthodox faith is proclaiming rather egalitarian approach, thus, the way you work is not influencing the salvation, which is different from Protestantism. Russian national character is not well adjusted to the market laws, it can be described by its lack of law-obedience. The Russian person is not used to put hard demands either on himself/herself or the others (Хвостов, Гаджимурадова, Афонасенко 2007). The Orthodox ethics is not encouraging people to the hard work and achieving success, but rather promotes poverty, spirituality, ascetics.

The two different identities have led for a long time towards many prejudices between the peoples who have been neighbours. One can state that the racial prejudice has been there. If the Chinese consider ethnic Han as the exceptional people with all the rest of the world purely tribute states or barbarians at the gates of the Middle Kingdom, then the Russians were partly influenced by the complex of superiority of the white race. The “Yellow Peril” danger was quite articulated already in the times of the Russian Empire.

One of the main threat discourses between Russia and China is connected to the racial prejudice in a way, and is connected to the perceived threat of Chinese migration to the Russian Far East. It is an emotional fear, as about 1,364 billion Chinese reside on 9,6 million square kilometres of land, and the 143,8 million of Russians are settled on 17,1 million square kilometres. Besides, it is actually very difficult for Russia to resist the economic might of China (Gulina 2015). If you

compare the adjacent areas near the border, the situation is even more drastic, it is about 4,3 million Russians in Amur oblast, Primorsky Krai, Jewish Autonomous Oblast and Khabarovsk Krai and around 109 million Chinese the provinces of Manchuria, Heilongjiang, Jilin and Liaoning. The political discourse though overestimates the actual figures of the Chinese working and living in Russia, and alarmism is widely spread including on the highest level. So, as Putin himself visited the border town of Blagoveshchensk, he said that if the residents do nothing to turn the economic tide of the region, their children will speak Chinese (Tirnoveanu 2016).

Central Asia

The other discrepancy is the strategic competition in Central Asia, sometimes also called “The New Great Game”, referring to the 19th century colonial powers competing for this region, mainly the British and the Russian Empires. Contrary to these times, the today competition is very much about economy, and especially rich energy resources. We can claim that China is stepping real steps with OBOR initiative, helping to build infrastructure in the region. For Russia, it is very much about discursive practices, claiming still that the region is the sphere of influence of Russia, having been part of the Russian Empire and later Soviet Union.

Russia has explicitly declared that Central Asia is inside its “sphere of legitimate interest” since Medvedev’s speech of 2008. China is certainly a more subtle actor. China’s policy is linked to domestic concerns, it is much more about ensuring stability and prosperity of the western province of Xinjiang. Central Asia is an important trade link to ensure access and opportunities for this region of China. While Russia wants to ensure

political loyalty, China strives more towards development good economic ties. China is currently investing in Central Asia at a rate that Russia knows it cannot compete with (Lain and Pantucci 2016). Starting in 2008, China displaced Russia as Central Asia's largest trading partner and became major lender and investor, especially in energy. Pipelines, roads and rails traversing the region – many built by China – now bring natural gas, uranium and other resources to the country, which increasingly relies on Central Asia as a trade route to the Middle East and Europe (Stratfor 2016).

Thus, we can see that in addition to a common securitization of the Western values and democracy, there is room for reciprocal securitization of each other as well. In the political discourse, it seems, it is mostly Russia that is threatened by China, and not the other way around. As I outlined, the main threats are demographic migration pressure in the Far East, and the economic predominance, including the regional influence in Central Asia.

Conclusion

To conclude, one can say that the Russian policy is very much based on the rhetoric of dispersing the unique values and civilization around the world. Russia was also not hesitating in such matters as using military force abroad, annexation of Crimea, bringing instability in Eastern Ukraine. Russia complements this steps among other things by the doctrine of protecting compatriots abroad.

China, on the other hand, while also growing its international influence, has been much more cautious in sabre-rattling, and relied less on rhetoric, and more on economic cooperation. It is widely known that, for example, Chinese

policy in Africa, is based not on the promotion of ideology, but on the economic cooperation “without strings attached”. It means that China sets no conditions on cooperation, being thus sometimes more attractive to the developing countries than the West, which sets strong conditionality. One can say that Russia is more vocal and aggressive, China is more quiet and pragmatic.

The differences of history and identity led to a different model of interaction with the world. In this article, I described both similarities and differences. It seems that the main common feature though for the time being is the juxtaposition to the West, which led to an alliance. Both countries are “not the West“, but they are culturally very distinct from each other. Having a common adversary is not enough, and will result in rather tactical than strategic alliance. OBOR initiative is one of the examples of attempts to have more influence on the world affairs, and in a sense is cherished by both China and Russia authorities. At the same time, the players in this field are not equal. For China, Russia is a political partner, the entente with whom should facilitate the projects in the framework of OBOR, especially in Central Asia. For Russia, it is an opportunity not to miss out on something going on in its neighbourhood. On a deeper level, the two states are rather competitors than partners.

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Melike Selcen Emiroglu

The importance of the One Belt One Road Initiative for Central and West Asia

Abstact

The Initiative of One belt- One Road Project consists of the Economic zone of the Silk Road and projects of 21th Century Sea Silk Road. The Antique Silk Road aims to establish a trade and infras-ture network that connects Europe and Africa to Asia beyond trade routes. For 21st Century Modern Silk Road will create new opportunities for all member states in this project. Also, China will have big advantage and economical development and the world trade productions will transport better safely, fast and on time to the destination countries. When we look at from Central Asia and Western Asia Countries pespectives, Turkic Republics are geo-graphically located in the first circle of this Project. Although it is clear that China's growing influence as an economic force will be felt globally, the most difficult of the project will be the Turkic Republics, which will take the first place in case the project is successful or fails. The increase of China's economic influence in the medium and long term, the free movement of goods, money and labor force has the potential to disrupt the population bal-ance of the Turkic Republics. The stability of the Turkic Republics, which is a buffer zone between Russia and China, not only for these republics, but also for Russia's security, The preservation of the population balance of the Turkic Republics and its bor-ders with China is not an issue to be left to the Turkic Republics only. About this subject, the fact that there is a need for close cooperation should be taken into account by Russia, Turkey and Turkic Republics. Turkey Project will finance the Asian Infrastruc-ture Investment Bank, which will become a founding partner,

Turkey attended this Project`s Summit in China and it is interested very closely with this Project. The loss of confidence in Turkey`s western allies for the last ten years, the west has pushed Turkey to seek the support of Russia and China in balancing the world. Via Turkic Republics Turkey will connect to China, Apart from Iran through a reliable line with this project (China-Central Asia-Caspian Sea-Azerbaijan-Georgia-Turkey) the opportunity to reach the reunion to this new economic center of power in Asia. However, with this project China`s balance of economic, geopolitical and population influence on the Turkic Republics Turkey needs to close cooperation with Russia that is open.

Keywords: One Belt One Road, Turkey, The Turkic Republics, China, Modern Silk Road, Russia, The Asian Infrastructure Investment Bank , economy and geopolitical.

Introduction

The Modern Silk Road project covers 65 countries in total including sea and road route.¹ When the countries are examined on the route, it is seen that the project generally includes the developing countries. When considered the countries covered by the project constitute an economic size of approximately \$21 trillion, it is understood that the modern silk road project has a serious economic potential. With the completion of this route that will link China from Central Asia to Europe, it is aimed to provide integration in land, sea and railway transportation, diversification of global trade routes and reduction time and costs. However, projecting enormous infrastructure investments in Asia, Africa and Europe, the project will allow for the creation of centres of faith civilizations and inter-communal economic and cultural interactions.²

Modern Silk road project linking Asia, Africa and Europe (a multi – billion dollar infrastructure investment initiative involving highways, railways, ports and energy transmission lines) was held in Beijing on 14-15 May 2017 for the first time. Summit in which the heads of state and government of 29 countries joined the prominence of the project was explained to the world by Chinese president Shi Jinping. Russia's recommendation Eurasian Economic cooperation and the middle corridor projects proposed by Turkey planned to be in harmony, The Modern Silk Road Project the countries on the route are planned to be connected to each other via land, sea, air, railways and port-pipelines. The modern silk

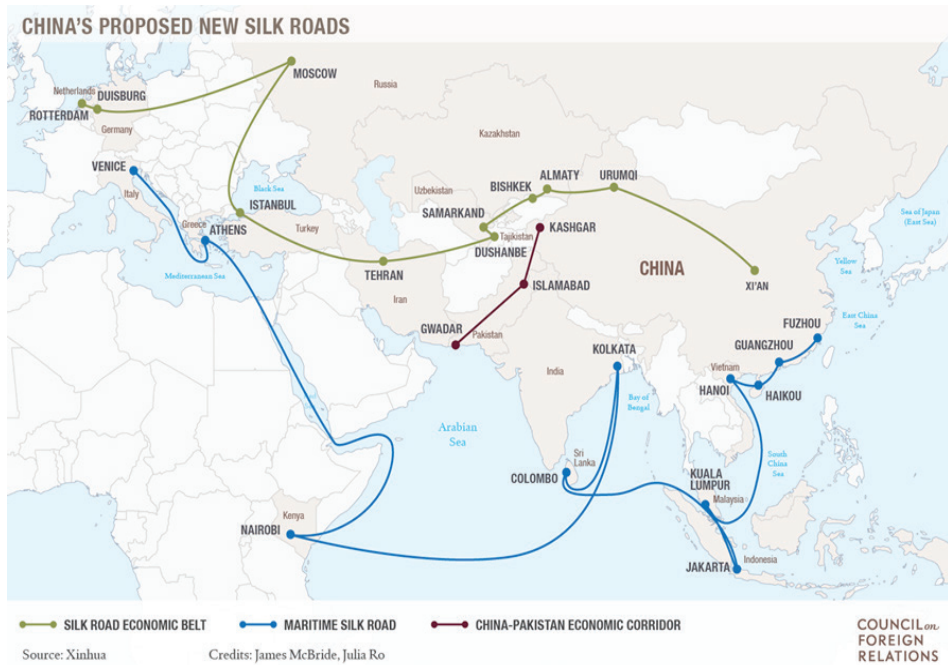
¹ Y. Mavashev, *Turkey has not been unregistered to the New Silk Road Project*, Turkey, 3 June 2015.

² \$ 79 Billion from the Modern Silk Road from China, Bloomberg HT, May 14, 2017.

road project aims to connect 65 countries with the simplest route the port, the railway, the airport. The project is covering nearly 4.5 billion of the world population the importance is even greater when it is through including 65 countries that make up about one third of the global economy. It is also known that about \$304 billion was spent daily from the beginning of the project.

At the end of 2013, one belt one road project announced by Chinese president Xi Jinping and China's foreign policy is gradually preparing to assume a more active leadership role in the global arena. One belt one road project slowly began to be implemented as an important indicator. It is thought that initiative will cover two-thirds of the world's population and one-third of the world's gross domestic product (GDP). China's new normal economy is gradually slowing down. As we know the Chinese economy saw the lowest rate of growth in the last 24 years with 7.4 percent growth. There are difficulties in the economy of the country. And production surplus is one of the important subject. If China succeed in one belt one road project in this way, China will be opened with great infrastructure investments in the markets including the project and it will try to dissolve the excess of production by selling such productions machinery, electronics e.g. to this countries.³

³ E. T. Karagol (2017) *The Modern Silk Road Project*, "SETA Publishing" p.2-3



Source: Council of foreign relations



Sources: <http://www.neogaf.com/forum/showthread.php?t=1372806>

Potential Effects of the modern Silk Road Project to world trade

China has become the world's largest manufacturer and it has faced the threat of slowing economic growth in recent years which has been dominating global markets since the early 2000s. The global economic crisis has caused a drop in demand which is one of the biggest trading partners to China with USA, EU and Japan and began to slow down the export – oriented Chinese economy.⁴ One of the goal in the middle ward, when it is thought that will continue to grow high economic situation with 6.7 percent economic growth in 2016 and the lowest growth rate in the last 27 years.⁵ China has led to the development of different alternatives in economic terms. In this context, The Transatlantic Trade and Investment Partnership Agreement realized between the USA and the EU (Transatlantic Trade and Investment Partnership – TTIP) is a crucial factor in reducing export rates and China attaches even more importance to The Modern Silk Road Project.⁶

China whose share in EU foreign trade is high, it is expected to increase the trade relations with the EU by passing the modern silk road project. With this project the EU will be closely to Asian countries because it is realizing about four quarters of its foreign trade with these countries. In 2001, EU supports of China for being a member of the world trade organization it is one of the indicators of this convergence. In 2016, in this sense, it is important the EU exports 170.4 billion euros

⁴ List of Products Exported by China, Trade Map.

⁵ World Economic Outlook, International Monetary Fund (IMF), April 2015

⁶ N. Gur, *What does the latest developments in the Chinese economy mean?*, "SETA Perspective", Issue: 111, (August 2015).

to China and it realizes its export and import with China total 344.6 billion euros. The size of the current trade rate between the EU and China will undoubtedly increase with the passing of the modern silk road project. In 2009, together with the global economic crisis, this situation offers an opportunity for EU countries to decline by 4.4 percent.

At the same time modern silk road will also reduce the potential impacts can be negatively affected of the agreement China's influence on the global economy liking TTIP. As well as being a project to improve China's mutual economic relations with the EU until global economic crisis in 2008, China are not entered enough trade relations with developing countries but with this Project, China will have new export areas. Besides the contributions of the modern silk road project to China in the project other countries are expected to strengthen the network of economic relations. With bring a new breath to trade in geography and for increasing the prosperity of the regions, opening new employment areas, the project will positively impact Middle Eastern Countries particularly targeting Central Asian countries and higher market share. With the project China was aimed to ensure their earning power in region and increasing trade volume of countries were the project will pass region and The Central Asian Countries and the Middle Eastern Countries will develop their trade relations and this situation will bring economic and social prosperities to every countries.

The Central Asia, Middle East and African countries which are characterized by developing countries and taking attention with energy resources they have not been sufficiently involved in global capital flows to nowadays, They could not get beyond their geography and they have not invested their natural resources in their territorial areas. In this content, the modern

silk road offers a vision that can integrate the countries in this route along the global economy and enhance domestic welfare. Initiatives towards the modern silk road project from East to West, it will provide capital flow to the countries on its route land will help to increase employment in these countries.⁷ With the modern silk road project countries like Iran where national income per capita is low, it is expected to increasing in national income and acceleration of development. The Middle East and Central Asia are rich in energy resources and as part of the modern silk road project interregional infrastructure needs to be improved the intense energy demand will provide an important route in European`s energy transfer. In this sense, This project which will open up new energy deals, mobility will be achieved in energy markets. Also, the modern silk road will play an important role in realizing energy transfer from the Middle East and Central Asian markets the European Union keeps on the agenda especially after the Russian –Ukraine crisis and a solution to the problem of energy supply security.⁸

The Effects of Modern Silk Road to Turkey

Turkey which has hosted Anatolia, one of the most critical transit routes of the silk road in history, it is one of the important countries of the project which will extend from China to the inside of Europe. Turkey is located at the intersection of Europe, Asia and Middle East geography the silk road economic belt line is the connection point to Europe, which

⁷ *The New Silk Road Will Bring China and Europe*, Anadolu Agency, 29 April 2016

⁸ E. T. Karagol, *The Modern Silk Road Project*, “SETA Publishing”, p. 3-4

includes the land and railways of the project. Turkey who works its way to becoming the energy trading centre and it is a member of G20, the modern Silk road project which is expected to provide substantial support for the development of relations with China and it will bring significant opportunities in terms achieving Turkey's future economic situation.

At the dates of 14-15 May, summit that president Erdogan attended with the realization of the modern silk road considered the world's largest transportation project, The most important contribution to Turkey is to open up new market areas and increase Turkey's export potential. Modern silk road's central corridor is forming by Turkey and the shipment period between Turkey and China drops from 30 days to 10 days and products delivered in two months by sea from Beijing to Istanbul they are delivered in less than two weeks.⁹

In this sense, the project makes even more important for Turkey capital inflow to it and stimulation of foreign investments and with the world's second largest economic power of China in the modern silk road summit is expected to provide a more balanced trading volume and many agreements have been signed between China and Turkey.

These are explained as follows:

- Transportation agreement on International roads
- Agreement on the establishment of cultural centres with the People's Republic of China
- Agreement on mutual extradition of criminals.

Besides all these, together with this project Turkey will also increase interaction with the Turkic Republics as well as limited contacts in Kyrgyzstan, Kazakhstan and Uzbekistan

⁹ *What You Need to Know in the Modern Silk Road Project*, Bloomberg HT, 12 May 2017.

as silk road can consolidate its developed economic relations with the countries such as China, Iran, Russia located on the economic belt line. After the disintegration of the Soviet Union of Socialist Republics(USSR) those countries that achieved just their independence they will also have the opportunity to integrate with global market in this project and within the modern silk road has the potential to develop bilateral relations with the countries, the scope of the project and to provide a significant amount of capital flow. Turkey which will create the connection point of trade between Asian countries and Europe and it will also have an important opportunity to attract Asian capital. After the 2008 global economic crisis about the accumulation of capital Asian countries that have become one of the new centres of the world given the high saving rates that have Turkey has the potential to come to the fore of these countries where these savings turn into investments.¹⁰

Through infrastructure projects planned within the scope of the silk road increased cooperation between Turkey and Asian countries and it is expected the emergence of serious capital mobility. In this context, Turkey is one of the founding country of the Asia Infrastructure Investment Bank¹¹ projects to be done within the scope of modern silk road project, it has been a very strategic decision in terms of Turkey's involvement. In addition when the modern silk road project is considered together with the Istanbul Finance Centre (IFC) which is one of the important investment of Turkey.

¹⁰ N. Yoshino, *Global Imbalances and the Development of Capital Flows among Asian Countries*, "OECD Journal: Financial Market Trends", Volume: 2012/1.

¹¹ *Signatures for the Asian Infrastructure Investment Bank* , Sabah, June 30, 2015

It will ensure that the capital expected from the Asian Countries will be carried out more systematically and quickly. Despite the fact that the modern silk road project has a structure that generally includes commodity trading. It has an important potential in the field of energy. The process of bringing together energy supply and demanding countries has opened the door to developments that may be experienced in this area. At any step in the energy field, Turkey is the most advantageous route due to its geographical position it will be at the centre of energy relations that can be developed between Asia and Europe. In this content, TANAP`s expected that energy flow to Europe Turkey which is involved in energy projects as Turkish current. Also, Turkey has an important position in energy supply security point Turkey which will contribute to energy security of the countries of the region due to its geographical locations together with the energy market it will present important contributions to the modern silk road project within the scope of the project. Energy market¹² which will bring together regional actors it will also attract global actors to the Turkish market. Thus the functionality and impact of the Turkish Energy market will increase, it will be in a position to compete with the world`s advantaged energy market.

In sum up, for stimulate commercial activity around the world, coming back to the agenda of the China`s leadership modern silk road project has serious economic potential together with different geographies and countries. The project will be implemented within the scope of the silk road economic belt and the sea silk road lines will connect the continents

¹² *The Energy Stock was officially established, "World", 18 March 2015.*

they will form on of the important roots of the global trade network. In 2013, on the implementation of the projects announced by China`s many important steps have been taken so far. And in 2014, Establishment of the Silk Road Economy Belt fund on behalf of the modern silk road project, To the this fund was separating 40 billion dollars in resources undoubtedly, it is most important activity within the scope of the project. Also, in the name of offering support to the project with investment of \$ 150 billion on November 2011, the Asian infrastructure investment Bank was established in which Turkey is a founding member. Fund splitting for the modern silk road it is seen as quite an important development for realization of the project, many similar actions are planned to be carried out within the scope of project. The first steps taken in 1998, handled within the scope of the revitalize the silk road. The project of the European-Caucasus-Asian transport corridor (TRACECA) is trying to integrate came at the beginning of the steps to be taken to create the desired new road and rail line.¹³

The Central Asian's opening door to global economy

The globalization process has led transportation in the economic structure of the world. Transportation costs decreased thanks to the advances in information and communication technologies. And the production processes have accordingly begun to decompose. Decompositions of production chains necessitated economies to be integrated. In the process of integration in different geographies it has become more

¹³ E. T. Karagol, *The Modern Silk Road Project*, "SETA Publishing" p. 4-6

important the formation of logistics bond. Nowadays, mainly in China leading global manufacturer and supplier position of Asian countries. The transport infrastructure needs to be improved between East and West.¹⁴

In this context, modernization and re-use of the historic silk road interconnect the logistics network entering the reconstruction process such as. Afghanistan and countries on the route it is an opportunity to accelerate economic developments. Establishment of a corridor management agency under the leadership of Turkey, collecting the relevant countries on a single platform will be able to produce solution for the realization of the Modern silk road. In this evaluation note, the revival of the silk road again have been discussed the contributions of the regional economies to the process of East and west integration.¹⁵

The Silk Road's importance for the region

A new era has begun for the Central Asian Region with the disintegration of the Soviet Union. Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan which have gained independence in the region and they are among the developing countries. Some of these countries are seen as the key of the development of their rich underground resources. For example, the share of oil and petroleum products in exports of Azerbaijan and Kazakhstan was 88 % and 61% respectively in 2010.¹⁶ But, the inadequacy of the infrastructure and the inefficiency of the industry are creating obstacles to integrate

¹⁴ <http://www.tepav.org.tr/tr/ekibimiz/s/1255/Omercan+Kulaklikaya>

¹⁵ K. Omercan, *Modern Ipek Yolu Orta Asyanin Kuresel Ekonomiye acilan kapi*, "TEPAV Publishing" p.1

¹⁶ UN Comtrade Statistics, 2013.

countries into the global value chain. These countries need to be able to export non-petroleum by strengthening their logistics infrastructure. Another member of the region is Afghanistan did not be stable possession according to economically and politically developments due to civil war and terrorist problems in the last period. In the country the foreign military troops immediately take decision to withdraw this situation started a new era for providing stability in economic, political and security areas. Pakistan where located in the South and East of Afghanistan, India and China are suppliers of the region. At the same time, the closeness of these countries to the west's value chains it is an opportunity for Central Asia. This region should increase its both physical and political accessibility with the necessary infrastructure investments and customs agreements. Therefore, the connection of logistics bridges to the region, going to economic cooperation and increasing trade, bringing value chains closer together they will accelerate the development process too. The reuse of the silk road with modern transportation infrastructure is an important tool in this regard.

Trade traffic between China and West is key to development of the geography between two regions. A leader country of supplier and manufacturer of global market China has increased its exports by 460% to 27 EU¹⁷ countries between 2001 and 2011 years. Trade between the two regions is provided by railway routes crossing Russia and Caucasus with recent investments and the most of from maritime the passage of this trade through the silk road route is an opportunity for countries such as Kazakhstan, Afghanistan and Uzbekistan to integrate into global value chains. In addition, the quality

¹⁷ Eurostat Uluslararası Ticaret İstatistikleri, 2011.

transport infrastructure makes it possible to link different geographies and create new economic centres. For example in recent years, the transportation infrastructure investments made in Western China increased the connectivity of the region to the outside the Chengdu- Chongqing Economic Zone¹⁸ was established in the south west of the country.

For the development of trade and economic integration China continues to improving its logistics network and it is accelerating infrastructure investments in the region. One of the most important of these is the Chongqing-Xinjiang-Europe railway line which lasts 11, 279 in length in 2012. This route is shortening container transportation time what takes 38 days from China to Europe with using railway takes 16 days.¹⁹ This railways line sets an example for the modern use of the silk road route and it connects to the Eastern European region from the West China. The silk road is an opportunity for stability in Afghanistan and the opening of new commercial channels in the region. Developing in Afghanistan are drawing attention to the International community and various projects are being developed for the development of the country. Resolving security problems in the country and ensuring political and economic stability as the country will provide stability and it is preparing environment for new economic initiatives in the region. For this reason, Afghanistan`s reconstruction process is supported by various countries especially the Central Asian Republics. In this context, in date of November 2010, for the purpose of to supporting Afghanistan Turkey show that it will

¹⁸ İ. B. Alpaslan, *A Regional Development Story: Western China*, "TEPAV Evaluation Note", 2013

¹⁹ 1 <http://www.globaltimes.cn/NEWS/tabid/99/ID/669086/Chongqing-Germany-regular-cargo-train-starts-trip.aspx>, [accessed: 08.02.2013]

contribute to the process by hosting the regional Economic Cooperation Conference (RECCA).

When we work about Afghanistan's one of the most important problems is lack of transport infrastructure in the country. Because, in the country there is no almost rail infrastructure exists and the existing road infrastructure alone is not enough for transportation.²⁰ Priority policies aimed out increasing logistical accessibility it is having great importance for the country and its neighbours. Afghanistan is located at the centres of Central Asia and silk road in terms of its geographical position. This is gives the country the opportunity to see the bridge mission in the process of increasing trade in the region and integrating the economics. The modernization of the silk road will involve the region in the geographical logistics network, thus providing countries with the opportunity to participate in the global value chain. Also, The presence of large of suppliers the market such as China located in the East of Afghanistan in the South of Pakistan and India it will contribute to approach the value chain.²¹

The establishment of logistics centres along the silk road will be the driving force for regional dynamics in Eurasian. The European crisis has affected the Eurasian region as well as the whole world. From 2011, the south Asian region's GDP value declined from 74% to 54% to 2012, the same values were respectively realized as 5.5% and 3% ²²for the Europe- Central Asia region. The modern Silk will open trade channels in the region and allow for the creation of new economic

²⁰ RECCA V Raporu, "Regional Investment Projects and Policy Priorities", 2012

²¹ O. Kulaklikaya, *Modern Ipek Yolu Orta Asyanin Kuresel Ekonomiye acilan kapisi*, "TEPAV Publishing" p.3-5

²² The World Bank, *Global Economic Prospects*, January 2013

centres. In this context, Afghanistan located at the centre of Central Asia which serve as bridges in the Caspian Sea Turkmenistan and Azerbaijan are important points in this region. In this countries, it is necessary to establish logistics centres that provide combined transportation and convert these centres into economic investment fields. In this respect, Asian countries and the Caucasus region will be able to connect to Europe through Turkey so remote geographical economics will come together. For this reason, the silk road is seen as one of the most practical solutions for the emergence of the economic potential of the region and integrations of these economics.²³

Euroasian transit corridor

In Eurasia, there are three corridors linking East and West. These corridors provide the possibility economical, environment friendly and fast transportation with railway infrastructure. The North corridor extends from China to Europe through Russian territory and provides railway transport in the Eurasian region. The route also referred to as the North East – West corridor serves as a bridge between The trans-Siberian railway line on the territory of West Russia and the continents. In addition, the second railway line Chongqing- Xinjiang – Europe connecting to the North corridor to Kazakhstan from the Western region of China accelerates the railway transportation in the region. The biggest advantage of this corridor is that it is active. The disadvantages include high maintenance costs of railways and geographical

²³ S. Frederick Starr ve Andrew C. Kuchins, “The Key to Success in Afghanistan a Modern Silk Road Strategy”, 2010

difficulties such as cold weather conditions. The middle corridor starts from China and connects to Turkey via Kazakhstan- Azerbaijan and then to Europe starting from the West China region the Middle corridor extents to Turkey and Europe Kazakhstan, Azerbaijan by ferry from Caspian Sea²⁴. The route is also connected to Turkmenistan as an alternative. In this respect, Baku, Aktau and Turkmenbashi ports are used for sea freight transport. If this route is used actively, the Central Asian countries will be able to generate economic opportunities from the Euro- China trade trafficking. Especially in Turkmenistan and Azerbaijan ports, the establishment of Logistics centres and free trade zones, they will allow the value chains to approach.

Firstly, In order to make transportation on this line, completion of necessary infrastructure investments in Caspian Sea ports, signing of transit agreements between countries and technical deficiencies must be eliminated in the railway network. Starting from East of China the south corridor respectively in the south Uzbekistan, Turkmenistan, Iran and Turkey from here to Europe. Railways and roads can be used to transport containers on the route but for, it can completion of the railway infrastructure they are needed security issues must be overcome and cross-border agreements. It is a great disadvantage no rail infrastructure of Afghanistan side from the alternative parts of route. However, it is important that, the missing transportation infrastructure is eliminated and connected for the economic integration of the region. In this way, the modern silk road it will be back to life.²⁵

²⁴ T. Ziyadfov, "Azerbaijan As a Regional Hub in Central Eurasia", Azerbaijan Diplomatic Academy, 2012

²⁵ O. Kulaklikaya, *Modern Ipek Yolu Orta Asyanin Kuresel Economiye acilan kapisi*, "TEPAV Publishing" p.5

What should be done?

Modern Silk road must pass to life with quality logistics infrastructure for ensuring economic integration between East and West. Especially in Afghanistan, a new strategy should be devised to assess the economic potentials of Central Asian countries. With the high quality infrastructure of the Modern Silk road route in the south corridor passed for reuse it will improve the transportation possibilities and bring the values elements of economies closer together and trade between member states will increase in this situation. The route will be able to connect the entire Asian continent with Europe and the Middle East. Asian's leading supplier position in the market and the high trade capacity with industrialized western countries with the use of the modern silk road it will provide economic opportunities to Central Asian countries. In the process of reconstruction like Afghanistan, Kazakhstan and Uzbekistan will benefit from this process fast growing economies with their underground resources.

Lack of transit corridor should be eliminated with high-quality infrastructure investments and common customs procedures should be adapted to facilitate border crossings. The transit links of the countries in all directions will have trade facilitating influence for this reason on the modern silk road must be completed the missing sections in the highway and railway corridors. Particularly, fast growing economies such as China India and Pakistan need to be connected to the Eurasian region through transit corridors furthermore, Turkmenistan and Azerbaijan is connecting with that corridors capable of providing combined shipping opportunities with ports in the Caspian Sea and becoming a logistics hub in the region will facilitate transportation with the West.

Political initiatives are needed to facilitate border crossing between the countries in the region. Customs procedures must be standardized and transit must be ensured. The problems that the region has experienced in transportation. It presented by comparative examples in the study done by UNESCAP using time / cost – Distance methodology²⁶ For example a cargo reaches on the road from Bishkek (Kyrgyzstan) waiting 65 hours on the border of Kyrgyz- Kazakh and 57 hours on the border of Kazakh- Russia made it total of 207 hours to Russia's city of Novosibirsk. Approximately, 60% of this transport²⁷ is crossing two border crossings, it constitutes 64% of the total transport costs.

Especially, Afghanistan railway investments should be made to the countries of the region. Transportation by rail is economic, environmental and safe for this reason, trains have a transportation promoting features. The establishment of the railway infrastructure for the countries on the silk road will create an economic leap both in terms of employment and the strengthening of the logistics network. Afghanistan has almost no railway and needs railway investments located at the centres of the silk road, regional countries must act together for the financing of these investments they should be supported by international organizations. The private sector and the Asian Development Bank (ADB) support from the International community for the modernization of border gates in the region. Customs transit time should be minimized for efficient delivery of transport on a time basis. In this context, modernization of customs gates and the use of standard procedures are required. Especially, Afghanistan, Pakistan,

²⁶ See. UNECE-UNESCAP Report, 2008

²⁷ O. Kulaklikaya, *Modern Ipek Yolu Orta Asyanin Kuresel Economiye acilan kapisi*, "TEPAV Publishing", p.6

Tajikistan, Turkmenistan, Uzbekistan, Iran and China located in the central of the modern silk road modernization of border gates and employees should be provided with customs training at international standards.

Logistics centre need to be built in the corridor of silk road. Combined transportation service should be adopted which optimizes logistics by more than one transportation method in the region. In this project will establish logistics centres in strategic locations to reduce transportation costs as well as storage costs. Logistics centres to be established in Turkmenistan and Azerbaijan ports will be able serve as a bridge over the Caspian Sea. For this reason, Logistics costs will decrease and trade flows will be easier in Eurasian. For the efficient use of the Modern silk road by developing transport networks in the central Asian region a holistic approach is needed all concerned countries.

Regional countries need to cooperate to overcome political, technical and political obstacles during the process of economic integration and development of the transport network on the corridor. In this context, a corridor management agency should be responsible established for such matter as finance, governance and project design countries like Turkey, China and Russia should support this organization. In additional, support should be sought from organizations such as the World Bank the European Union and Asian Development Bank. Turkey can play leading role, in the establishment of the corridor management agency responsible for the modern silk road. A platform should be established in the corridors of the modern silk road to identify the relevant bottlenecks, Find the resources of the fastest financing and bring the parties. Detailed feasibility studies and solution featured project should be developed on this platform. In this

context, Turkey can bring together the relevant Central Asian Countries as well as the countries that can provide significant outside support such as outside support such as China and Russia. For this reason, as well as economic initiatives will be facilitated with political and political obstacles will be overcome and co-operation.²⁸

The Modern Silk Road project and its historical development

The Silk Road is the historic caravan road that connects China to Asia and Europe through Asia before Christ. It is the world's longest and most efficient trade and cultural network. Trade started in China and ended in Europe. It is called "Silk Road" for carrying the most silk and other goods between countries and it continues its importance from before Christ to today. The Egyptians then the Romans bought the silk from the Chinese this route was used in the middle east for bringing India and far East's silk weaving spice and precious metals to Europe. The name silk road was first used by German Geographer Ferdinand Von Richthofen in 1877.

The silk road has established commercial and cultural connections in different parts of the world through different routes. For example this route went to India from Bactria gateway, Starting from Antakya another route passing through the North of Iran, Afghanistan reached the Pamir plain. Here in the place called stone tower, commercial goods coming from the west were replaced with goods of East while another route passed through The South of Western Turkmenistan and reached East Turkmenistan this road stretched

²⁸ O. Kulaklikaya, *Modern Ipek Yolu Orta Asyanin Kuresel Economiye acilan kاپisi*, "TEPAV Publishing", p.6-7

to the Doyang area. In the middle ages, the trade caravans moved from Xian city of China to Kashgar city of Uzbekistan where they would follow the first of the two ways to reach the Caspian Sea from Afghanistan and the Karakurn Mountains to reach Anatolia through Iran. They travelled from Anatolia by sea or via trade to Europe by road. The goods are usually transported by camel on the Silk road via Central Asia and Iran it was reached to the shore of Anatolia and the Black Sea. On the shores of the black Sea goods taken by Venetians and Geneose were transported by sea to Southern Europe and then to inside of Europe. Some of the goods that came with the Silk Road were transported to Syria and Alexandria from the south of Anatolia and then to Europe by sea.²⁹ Started before Chris silk road which continued its activity for more than a millennium began to lose its significance with the conquest of Istanbul in 1453.

Because with the discovery of the impasse the European states prefer trade from the sea not from the land, depending on the development of the maritime trade. European merchants travel to cape of Good hope they arrived in India and China. The Ottoman State made attempts to increase the functionality of the silk road without losing its important. Ottoman Sultan Suleiman The Magnificent gave the French capitulations and tried to encourage European merchants to trade through Anatolia. However due to the fact that maritime trade is more profitable and that Anatolia does not provide confidence in terms of order the silk road has not had its former importance. The silk road should not be perceived only as a trade route. Because silk road made Eastern culture recognized by the West. This road has been tracking the cultures,

²⁹ <http://ergunemre.blogcu.com/ipek-ve-baharat-yollari/2720453>

religions and races living in the region since 2000 years and presents an extraordinary historical and cultural wealth.³⁰

The Central Asian Turkic Republics which gained independence with the disintegration of the Soviet Union in the 1990s have worked to revitalize the Silk Road as both a trade route and historical and cultural value countries like Kazakhstan and Uzbekistan have built along this road and they have tried to restore new functions by repairing building that are no longer used. The greatest project on the silk road revival was put into effect by China and this country announced the Silk Road Economic belt project in September 2013. The silk road economic belt project aims to link all countries by rail and sea. The first starting point of the project is China. The starting point after China is the Khorgos border region of Kazakhstan. The route after Kazakhstan leaves several routes via Russia. The new silk road project which China carries on the agenda, do not only includes the railway but also the sea road.

Chinese president Xi Jinping said during a visit to Indonesia in October 2013 that trade goods originating from China would be moved to European countries by sea. The main purpose of the New silk road project, led by China is to increase trade volume with the European Union Countries. For this, it is envisaged to construct a transport infrastructure such as railroads roads and airports for the new high-speed train. The new silk road project which has been turned into the slogan of “One belt one road” by the Chinese has become more functional in 2014 and it has begun the construction of railways. China aims to reduce the inequality of income in the inner regions and the undeveloped cities in the west through this project.

³⁰ <http://www.silkroutes.net/ipek-yolu-ticaret-tarih.htm>

China has set up a new silk road fund for this project in 2014 and it has allocated \$40 billion in resources. In addition, it established the Asian infrastructure investment Bank (AIIB) to support this project in November 2014. In addition to these resources, the Energy development fund was established in January 2015. Thanks to this fund an investment of 20 billion dollars is foreseen. China's new silk road project covers 65 countries. This project will be closely interested in a \$21 trillion economy.³¹ The fact that China's New silk road project is interested by the European countries as well as the central Asian countries attracted the USA and Russia to produce their own silk road project. The US secretary of state has issued a declaration entitled "New silk road strategy" in 2011. At the base of this declaration is the withdrawal of US and NATO countries from Afghanistan and region will have a economic, cultural and social stability. According to the US plan, with the stability that will occur in Afghanistan, central Asian countries will be connected to Pakistan and India via Afghanistan at the base of this project is the construction of land and railways and an economic pipeline to reach India with energy pipelines.³²

The role of Kazakhstan and Turkey in the new Silk Road project

After winning the Independence of Kazakhstan has achieved rapid and orderly economic development relative to other Central Asian countries. It has not ceased to participate in the economic unions and organizations established in the region. While developing relations with China and Russia, it also

³¹ http://izto.org.tr/demo_betanix/uploads/cms/yonetim.ieu.edu.tr/6695_1525260242.pdf

³² http://insamer.com/tr/cinin-yeni-ipek-yolu-projesi_1111.html

kept its relations with warmly US and Europe. Kazakhstan President Nursultan Nazarbayev has spoken to the countries of the region after the acquisition of independence to act together and solve all problems between them. The project that China and Russia have pioneered actually we did not make a mistake by telling Nazarbayev that his father was the one who made the idea. Kazakhstan has a special place in China's new silk road project: As China knows the importance of Kazakhstan in the project, the project description was made during the visit of Kazakhstan by Chinese president Xi Jinping and Kazakhstan supports China's Silk Road project.

Kazakhstan wants to play a mediatory role between European and Asian countries with this project Asian countries with this project. On January 6, 2008 president of Kazakhstan Nursultan Nazarbayev explained how to make a western Europe – Western China transportation corridor in the speech of the nation. With the Nazarbayev's initiatives Western Europe- Western China transport corridor agreement has been signed between Russia, China and Kazakhstan. These three countries have agreed on the road route proposed by agreement, it will start from St. Petersburg and extend to Kazakhstan, reaching to China via Khorgos customs station. The total length of this line is 8445 km. Kazakhstan is planning a economic based relationship with China Nursultan Nazarbayev talked about his plan to increase the trade volume of China- Kazakhstan to 40 billion dollars in 2016 in his visit to China in May 2014. He also reported his strong support for the new silk road project which was led by China. During this visit a statement supporting this has been published by making a declaration of strategic partnership between Kazakhstan and China. According to this plan, two railway lines will pass from Kazakhstan.

The first line is the West China – West Europe line. With this line the train to travel from China will go to Kazakhstan, Russia, Belarus, Ukraine and European countries without stopping in China's inside. The second line will reach Turkey and Mediterranean countries. This line will go to Iran and Arab countries through Turkmenistan too. If the silk road project is aimed at moving China's economic products to all European, Asian and African be double-sided especially, in the Central Asian countries it is calculated that the commercial goods of Turkey and other countries will be moved to China. Kazakhstan attaches great importance to the New silk road project. Khorgos International border cooperation Centre was established for this purpose. In addition, construction of Aktav Sea port Expansion project and Aktobe logistics centre are continuing in this mega project. "Western Europe – Western China" route through Kazakhstan will be opened in 2015. Kazakhstan is also involved in the construction of roads from North to South not just from West to East depending on this project. Turkey did not remain indifferent China's new silk road project. Because the revival of the Silk road which is already an important sources of income within the Ottoman borders and it is also included in Turkey's future vision. With the introduction of this project, Turkey has contracted both Kazakhstan and China to declare its interest in the project and declare that it can make necessary arrangements and assistance. In fact, Turkey has even voiced its intention to become a founding member of the Asian infrastructure investment bank which is planned to be established by China's predecessor and on 26 March 2015, the application was accepted for Turkey's founding membership more than 50 countries have applied to become members of the bank, which has pledged to cover 50 billion dollars of its founding

capital. Total capital is expected to be \$100 billion and the targeted bank is expected to start operating at the end of 2015. As a founding member of Turkey to Asian infrastructure investment bank has been an important part of the customer market. Turkey has had an important opportunity to provide financing for the projects to be carried out in the countries included in the Silk road through the Asian infrastructure investment bank. Turkey declares its support both economically and strategically with the silk road project.

On April 26, 2015 the Chinese ambassador to Ankara Yu Hongjiang he is emphasized that Turkey will take a key role in the new silk road in his statement in Ankara. In this project which China calls one Belt one Road it is started that all planned routes will definitely pass through Turkey. According to Yu Hongyangi the new silk road project will positively affected all the countries in the line from China to Turkey. Two thousand years ago, with the restarting the silk road from China and extending to Kazakhstan, Uzbekistan, Russia, Turkey, Greece through Rome³³. It did not only developed trade also volunteerism would have provided too. The Chinese ambassador emphasized that project is closely related to Turkey which is planned to be constructed on 5 routes 3 seas and 2 roads and this project's routes have definitely passed from Turkey. Turkey's new Highway project vision document has not been preferred yet. But its interest countries to this project Turkey's plans to integrate railroads from Asia to Europe this situation will also facilitate China's business too.³⁴

³³ Y. Salih https://www.academia.edu/12556072/Türkiye_ve_Kazakistanın_Yeni_İpek_Yolu_Projesi_ile_Avrasya_Birliği_Projesine_Bakışı

³⁴ Proceedings of the International Conference on History & Archaeology: Great Silk Road and the Kazakh Khanate at the turn of millennium" 22-23 May 2015, Taraz, Kazakhstan

The important of the Eurasian project

Russia has established the Eurasian Economic Cooperation Organization which we can call another name of silk road project. Especially it will be alternative to European Union and it will create a balance in China's power on this project. Russian President Putin attaches special importance to the Eurasia Economic Union. On 29 May 2014, the Eurasia economic cooperation organization entered into the force with agreement between president of Russia Viladimir Putin president of Kazakhstan Nursultan Nazarbayev and president of Belarus Alexander Lukashenko. On 6 January 1995, Eurasia Economic Integration began with the customs Union agreement signed between Russia and Belarus, when coming to date of October 10, 2000. So, this agreement signed by Belarus, Kazakhstan, Russia and Tajikistan thus they have established The European Economic Cooperation. This unity become the customs Union of Eurasia with the new agreement between Russia, Kazakhstan and Belarus on January 1, 2010. With an agreement signed on 18 November 2011, it was transformed into a common market.³⁵

In 2011 the head of the member countries of the customs union signed the agreement that formed the economic commission of Eurasia and they passed a single economic zone in the following years 2012. On May 20, 2014 an agreement signed which has passed the life to the Eurasian Economic Union in Kazakhstan's capital city Astana between Kazakhstan, Russia and Belarus. Also, Kyrgyzstan and Armenia were also included in this union. On May 29, 2014 with the treaty

³⁵ https://www.academia.edu/12556072/Türkiye_ve_Kazakistanın_Yeni_İpek_Yolu_Projesi_ile_Avrasya_Birliği_Projesine_Bakışı

signed the customs union is now transformed into the Eurasia Economic union and this formation was transformed into The Union of Eurasia in 2015. The countries agreed on the formation of the Union that come together in Moscow for the effort to establish The Eurasian Economic Union in December 2013. Although, Putin wanted Ukraine included in the Eurasia Union. Unfortunately, it did not seem possible with the Crimean crisis in the future.

It is inevitable that an economic Union to be established in Eurasia with the Eurasian Union project will make an important contribution to the solution of global crises. The economic integration that is supported to be established in Eurasia is important. This union that will be established in Eurasia will bring a solution to the global problems inhabit in the 21st century. The Eurasian union project will allow significant work for the integration especially in Central Asia. Eurasian Union idea is valuable for the perspective of the future of the commonwealth of independent states arising from the disintegration of the Soviet Union.

Geeconomic immigration: the perception to China's New Silk Road Initiative in Central Asia

As result of the economic arrangements made by Deng Xiaoping, the People's Republic of China has achieved stable economic growth momentum. Today, China has both the largest population and the largest economy in the world. Seamless access to energy resources and development of the trade routes and very important for sustainable development. At this point, perhaps the greatest project of the century China has started the new silk road initiative under the name of One Belt-One Road China has begun to strengthen its relations with Central

Asia under this project. So, how China's new silk road initiative is perceived in central Asia? This article presents an analysis of China's geoeconomic interest in Central Asia under the new silk road project and perception of this project in the region.

The people's republic of China is a country with the world's most populous country and at some time with the United States of America (USA) has entered the race to become the world's largest economy. Almost it is a country that gives foreign trade surplus against all the countries it has traded. Although today's growth rate has declined to around 6 percent, China has consistently achieved a growth rate of around 10 percent since the 1990s. However, for continue economic development and make a strong policy it needs to have strong economy and Transportation is very important to a cheap, affordable energy sources for a strong economy.

China has turned its attention to natural gas consumption because of its use of coal it's main energy sources and environmental pollution reaching terrifying dimension. Bringing an energy source which is the geo economic characteristic of China's natural gas over the sea, causes problems for China. The fact that natural gas is portable on land is the most important point for China. Most of China's energy resources are imported by sea throughout the Pacific and this route is threatened by American military presence in the Pacific. Moreover, in the East China sea and the south China sea, China has border disputes with Japan and other regional countries. At this point, Central Asia³⁶ is a huge asset which will provide China with energy resources including natural gas,

³⁶ The term "Central Asia" used in this article includes Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan. See. Encyclopædia Britannica, "Central Asia" 2014, <http://global.britannica.com/place/Central-Asia>

oil, and uranium. So basically, by strengthening its energy ties with Central Asia China can prevent a more dangerous sea route.³⁷

In recent years, China has increased its influence in the region this situation is creating hope for a new way out for Central Asian countries. The 3.666 km long Central Asian- China natural gas pipeline has created a new market for energy resources in Central Asia. Kazakhstan- China oil pipeline is also having great importance for China's energy security, In Central Asia, it is difficult to carry out strong policies independence of Russia. Because the countries of the region are struck between great powers like China and Russia and the neighbors in the south of Afghanistan and Pakistan are struggling with political and economic instability.

This situation is made Central Asian countries dependent on Russia for international trade and out- sourcing of resources. In addition, until 1991, Central Asia countries were part of the Soviet Union. (SSCB) it causes Russia to see the region as a back garden and do not want to the region to leave the domain. If the region is already losing it, it will be a big blow in an energy field and the economy will be in the great disaster. According to the international rating agency Fitch Rating, with 50 percent of the federal government's income 20³⁸ percent of gross domestic product(GDP) dependency on oil and gas, Russia is the most oil-dependent country among top 10 largest economies in the world.

In May 2014, The agreement between Russia 's Gazprom and the Chinese national oil company CNPC foresees

³⁷ J. Wasserstrom, *China in the 21st Century* (Translation Hür Guldü, Istanbul: İletişim Publications, 2015), p. 167

³⁸ Grip on Russia: The Saint Petersburg International Economic Forum 2013", FTI Consulting, (10 Temmuz 2013); 2

the shipment of 38 billion cubic meters of Russian gas to China for 30 years. In addition, The European Union which wants to provide alternative energy roots and resources to Russia it has been aspiring to rich energy resources in Central Asia. All of these elements are creating an income environment for China's energy security and geo economic interest in Central Asia.³⁹

Energy security and geo-economy

Since the industrial Revaluation, the importance of energy is increasing in the constant machinist world. Today in the modern world, which can hardly move without energy sources states are combating each for cheaper, more readily available energy sources. The 1973 oil crisis became an important milestone in energy security. According to the definition of International Energy Agency ⁴⁰energy security: Continuous availability of energy resources out affordable prices.

According to another definition, energy security includes not only the existence of sources of production in a certain place but also the integration and transportation of these resources in a timely and cheaply manner and adequately. In summary, Energy security is defined by four important elements such as Availability, Accessibility, Affordability

³⁹ K. Timucin, I. B. Gonca *Jeoekonomik hayaller: Cinin yeni ipek yolu girsiminin Orta Asyada algisi (Insan ve toplum arastirma dergisi – cilt 5 sayi 5)*, pp. 1251-2.

⁴⁰ İ. B. Gonca, *New Developments in the European Union and Central Asia Relations in the Energy Supply Security Framework*, 1st International Symposium on Eurasian Energy Issues, Full Text Book, (İzmir: Kâtip Çelebi Üniversitesi, İzmir, 2015), p. 495

and Acceptability⁴¹ which are included in many definitions and expressed as 4A in English and it is being used synonymously with energy supply security over time. In general, a definition of energy supply security in the literature geo-economic dimension of energy resources⁴² has become very important based on the established strategy and for increasing the security of energy supply. Artur Dix published in 1925, the geo economic situation that started to appear in the literature with the title of Geoeconomic it was developed by the American Edward Luttwak⁴³ at the of the 1980s.

Geoeconomics between states according to Edward Luttwak "Who saw him as the economic power struggle" the age we live in is geo-economic age. And geopolitics lost its power today, in terms of war, economic power is much more important than military power and still regarded as an instrument of expansion that is actually in force in the world. In Luttwak`s article from geopolitics to geo-economics (1990) and later in his book " Turbo capitalism " The endangered American Dream (1993). In the definition of American national Aeronautics and Space Agency (NASA) scientist Conway McKinley who has made and developed the pioneer of geo-economics. "Geo-economy is a science that combines investment strategies and instruments and resources of specific geographic units to ensure a better quality of life with high economic development.⁴⁴ So, according to Mckinley

⁴¹ C. Sevim, *Global Energy Strategies and Geopolitics*, (Ankara: Seçkin Yayıncılık, 2015), p. 165.

⁴² B. Kruyt, et al., & Quot; Indicators For Energy Security & quot ;, *Energy Policy*, c. 37, (2009): 2165.

⁴³ Ş. İnan, *Geoeconomics Studies and Geoeconomics Teaching in the World and Turkey*, "Bilge Strateji", c. 2, S. 4, (2011): 102.

⁴⁴ Ş. İnan, *Geoeconomics Studies and Geoeconomics Teaching in the World and Turkey*, "Bilge Strateji", c. 2, S. 4, (2011): p. 86

Geoeconomics is a new science that brings together natural resources and human power in an efficient way to ensure the highest level of development of nations, states, cities, and companies.⁴⁵ The geo-economy which is based on national interest balances⁴⁶ and is shown as a multicomponent system of economic relations with the outside world is also defined geo-economically, based on the economic power of the states.⁴⁷

Reflection's the New Silk Road project in Central Asia

In 2000 the trade volume between Central Asian countries and China was \$ 1 billion while the total volume of Russia and Central Asia reached 27.3 billion dollars in 2011 and 2013, Chinese president Xi Jinping announced the silk road economic zone in Kazakhstan and trade rose to 50 billion dollars and Beijing alone become the main tracking partner of all former Soviet States in Central Asia. In the post-soviet period, China has more economic and political activity in Central Asia.

However, China's intense need for raw materials and natural resources is fueling both fascination and fear in Central Asia. China imports oil, natural gas, and uranium from Kazakhstan and natural gas from Turkmenistan and Uzbekistan. China operates gold mines in Kyrgyzstan. Beijing has financed most of its infrastructure projects in Central Asia roads, railways, pipelines, etc. This situation, it has caused Central Asian to approach China with more skepticism. For

⁴⁵ C. McKinley, *Geo-Economics: The New Science*, Conway Data Inc., Norcross, (1994): 56

⁴⁶ T. Kodoman, I. B. Gonca, *Jeoekonomik hayaller: Cinin yeni ipek yolu girsiminin Orta Asyada algisi (Insan ve toplum arastirma dergisi – cilt 5 sayi 5*, p. 1253-4

⁴⁷ A. Hasanov, *Geopolitics*, (Istanbul: Babiali Culture Publications, 2010), p. 400

example, Kyrgyzstan local resistance has arisen against Chinese companies operating g old mines.

In road construction in Kyrgyzstan, Chinese workers who are usually brought from China are employed. But, lesser payments are made to Kyrgyz workers than to Chinese workers. Chinese traders have also entered the Kyrgyz markets and cheap goods from China are taking the place of Kyrgyz traders that are: thrown south of the market has been reported several times by the governments. In almost every region of Kazakhstan, you can see an effect of Chinese national petroleum corporation. According to Murat Auezov, the Kazakhstan ambassador to China between 1992 and 1995 China is three different countries in the 19th, 20th and 21st centuries but unites than are the desire to expand their territories.

In addition, Chinese immigrants are at the forefront of issues that may pose a challenge in a strategic partnership. For all these reasons, it can be said that Central Asia has mixed feelings about administration and fear towards China. These firstly to project the sovereignty and territorial integrity of the country to ensure the peace and stability of the surrounding region and to promote dialogue and cooperation in the region. In general, this policy serves the economic development of China the purpose of China's establishment of the Shanghai Cooperation organization is to be active in the region and to widely accepted its influence on the countries of the region. At the same time, strengthening relations with Russia balancing the USA- Russia relationship and problems in Central Asia have had a negative impact on China's developments. Moreover, another priority of China's Central Asian policy is to prevent the further growth of Uighur separatist activities. China has a 7000 km-long border with Russia, Kazakhstan, Tajikistan and Kyrgyzstan Central Asia's security means China's

border zone security. Moreover, it provides the abundant supply of energy in the border regions and these resources contribute greatly to the development of China. Finally, China's increasing need for energy is growing and Central Asia's oil and natural gas is gaining importance for China.

In Sum up, China has had a great opportunity to become a world's largest economy with the economic performance it has shown for the past 30 years with this economic power in its hand it has played a more active role in the region. China has signed agreements with Kazakhstan, Turkmenistan, Kyrgyzstan, and Tajikistan in many different sectors from oil and natural gas drilling to infrastructure projects throughout Central Asia. At this point, thanks to China's oil and gas pipelines countries with energy riches Kazakhstan and Turkmenistan have reduced its dependence on Moscow by re-routing its energy resources away from Russia. In addition, by 2020 China will become the largest customer of oil and natural gas from the Central Asian region. Similarly, the oil refinery to be established with Chinese finance in Kyrgyzstan, China will break the monopoly of the Kremlin's fuel supply.

What kind of interest will China make with the money it spends on the region? China is not an interest here, it will get many benefits. First of all, it needs as the size of China's population and economy. Besides, it is a country which is always called by the environmental population because of the coal used by China. So, China needs resources such as natural gas. Shipment of natural gas and petroleum in Central Asia to China is very important. China has taken steps to find a solution to this problem by building a natural gas pipeline and oil pipeline with Kazakhstan. The new silk road initiative not only includes pipelines but also trade routes. China has undertaken the construction of roads in Central

Asia previously undertaken by Turkey and even Turkmenistan has begun road constructions. In addition, The railway from China to Iran was opened in February 2016.

China basically has two interest here: The first is to transport the products produced by commercial routes to the west without needing Russia which is very important. Because of the bad events that have developed between the west and Russia, this means the trade with the embargoes applied to this country. This problem will disappear with roads being built in Central Asia. The secondly, and perhaps even more important, With these pipelines and routes will remain open the Horgos (Korgas) and Alashankou (Alatav) gateways which link China with Central Asia in East Turkmenistan. This means that The moment China wants East Turkmenistan it is the reason for the intervention. The long march of China was a historical symbol of the socialist orientations of the country in the 1930s, country towards capitalism since the end of 1970s it has historical significance as the first but it is a long walk in the second symbolizes the break with the first goal of the orientation. With all this, it can say that China began to break the Russian influence in Central Asia. As both population and economic power Russia is already hesitant from China. This may be the reason for the fear of China being tried to be released in Central Asia. There may be mutual interest between Central Asia and China in these conditions but this situation may continue in the future there is not known for now. If the New Silk Road cannot reach Europe, the Middle Asians will be relieved of Russia's dependence, but this time they will most likely be dependent on China.⁴⁸

⁴⁸ T. Kodoman, I. B. Gonca, *Jeoekonomik hayaller: Cinin yeni ipek yolu girsiminin Orta Asyada algisi*, (Insan ve toplum arastirma dergisi – cilt 5 sayi 5 p. 1257-8

The Central Asia policy of China in line with security, energy, and market

China's Central Asia Policy

From the current international actors, China is also in an important position both in terms of geopolitics, politics, and economics in the Central Asian Region and it is gradually increasing its effectiveness. Cold War era, Central Asia was treated as a boundary of the USSR suffering from cold relations due to problems such as ideological dissolution and border dispute in China's foreign policy. The disintegration of the USSR has fundamentally changed China's policy towards Central Asia as well as its geopolitical structure and policies of all actors of the international system.

China, which has increased its effectiveness in world geopolitics, Kazakhstan, Kyrgyzstan, and Tajikistan, it has with three new Central Asian neighbors. It is also bordered by the new neighboring countries and the highly unstable Central Asian region, which is politically and economically weak, this territorial area is called the "Eurasia Balkans". Before the end of the Cold War, in 1985, China, which has improved its relations with the USSR, has sought to develop relations with all the former independent Soviet Republics since 1991. Especially, including three neighbors countries, There are intensive initiatives to improve relations with five Central Asian countries and to increase their influence in the region. China focused on the problems of defining the Central Asian Republics in the early part of 1992 and establishing diplomatic relations with these countries, especially

the solution of border problems, the prevention of ethnic and religious conflicts in the region and the development of international cooperation.⁴⁹

After the disintegration of the USSR, China's policy in Central Asia can be considered in three periods⁵⁰. First, during the transition period between 1991 and 1995, China's policy towards the Central Asian region was to prevent ethnic nationalism and radical groups that could arise from the unstable situation in Central Asia from leaping to the East Turkistan Autonomous Region. Moreover, in this process, important steps have been taken in the political and economic relations of the newly established Central Asian countries with the countries of the region in order to support the cognate and religious groups in East Turkestan. The second period is the period between 1996 and 2001. In this process, China has begun to establish the infrastructure of the Shanghai Cooperation Organization, And its own predecessor, the SCO, it has taken the initiative to establish a multilateral political platform between Central Asian countries and Russia, without directly attracting Russian reaction. The third period is the start of the US activity in the region after September 11th. On the one hand, China is trying to suppress the separatist groups in East Turkestan under the concept of combat against terrorism, On the other side, the policy of balancing to reduce the influence

⁴⁹ H. Duran, K. K. Yılmaz, *Devi Bağlayan Bağlar: Çin'in Orta Asya Enerji Kaynaklarındaki Çıkarı*, Ed: S. Sarı vd., *International Conference on Eurasian Economies*, "Beykent University Publication", p. 36

⁵⁰ Çolakoğlu, 2008: 172-173= Colakoglu, S. (2008), *China's Central Asia Policy (1991-2007)*, Compiled by: Turgut, Demirtepe, Central Asia & Caucasus Power Policy, Ankara: USAK Publications, ss. 147178. Çomak, H., Gökalp, A. (2009), *The Future of Shanghai Cooperation Organization in the Years of 2010 and Turkey*, II. International Congress of Social Scientists, Kocaeli. p.172-3

of the US in Central Asia. With the 2000s, China's policy towards Central Asia has entered a new phase. So, China wants to creating positive relations with all countries in this Project especially, with Central Asian countries in the fields of diplomacy, economy and security for having big economic and trade succeses in the world`s ecomonic system.

The current Chinese foreign policy towards Central Asia is based on four strategic considerations:

1. Preventing Central Asia becoming the base of Uighur activism.
2. Refrain from turning Central Asia into a destabilizing region that would require China to intervene in extra-territorial security issues;
3. Control hydrocarbons and other natural resources and wealth in the Central Asian region
4. To integrate Central Asia into this market in the framework of the North and West-oriented global China Market Strategy.⁵¹

For to establish the strategic interests listed above, China has established the Shanghai Cooperation Organization. SCO, which aims to solve the security problems on the collective activity with the regional countries when it is first established, Today it is the basic tool of China's regional policy in all areas such as security, politics, and economy. In the 2013 year,

⁵¹ S. Peyrouse, *Economic Aspects of the Chinese -Central Asia Rapprochement*, Central Asia-Caucasus Institute and Silk Road Studies Program, https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/0709ChinaCentral_Asia.pdf, (Dumlupınar University Journal of Dumlupınar University Journal of Dumlupınar University of China with 4 middle Asian countries in 2013 Social Sciences Afro-Eurasia Special Issue-December 2016 / Special number of Afro-Eurasia-December 2016 trade surpassed \$ 40 billion), (Translated by), http://russian.news.cn/economic/201402/13/c_133112976.htm, 06 October 2016.p.11

In addition to the SCI, China has brought the New Silk Road Project, a project that will strengthen its influence in the region in economic terms. Indeed, after the end of the Cold War, China which forcing the position of the most important actor in Central Asia, It economically left Russia behind⁵².

Security

In the first instance, it is important for China to develop security cooperation in Central Asian politics. Since 1991, when the independence of the Central Asian countries was won by the dissolution of the Soviet Union, China's policy towards Central Asia has been built on the basis of intensive cooperation with the countries of the region and every other area in order to prevent any conflict and instability in the region. The main reason why China attaches importance to the security of the region is the concern of the ethnic minority of the Muslim Uighur in the East Turkestan Autonomous Region, which shares its border with three Central Asian countries.

Uighurs;⁵³ Is a Turkish-speaking Muslim who belongs to the Altay language group, who is not an independent state, mainly living in the Eastern Turkistan Autonomous Region of China. According to the present evidence, about 300 million Uyghur Turks living in China have about 10 million Uyghur people living as a minority in Kazakhstan, Uzbekistan, and

⁵² H. Duran, *Guvenlik Enerji VE Pazar Ekseninde Çin'in Orta Asya Politikasi*, Dumlupınar Üniversitesi Sosyal Bilimler Dergisi/Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016/Special number of Afro-Eurasia-December 2016 p.282-3.

⁵³ *Uighur*, Encyclopedia Britannica, , <http://global.britannica.com/topic/Uighur>, 04 Ekim 2016.

Kyrgyzstan. The majority of the Uighur ethnic group in Central Asia live in Kazakhstan and according to 2013 data, 1.4% of the approximately 17 million people of Kazakhstan live 243 thousand Uighurs. Uighurs living in China began to rise up for the independence of East Turkestan in the late 1980s. After the Soviet army failed in Afghanistan in 1989, Developments such as the emergence of newly independent states following the collapse of the Soviet Union in 1991, For Uighurs; It has been hoped that Soviet system China will also be able to renew and establish its own independent states.⁵⁴

Indeed, Uighur nationalism and the rise of radical religious movements on the one hand, and on the other hand the heavy pressures of the Chinese Communist Party, exacerbated the violence in East Turkestan. The Chinese government has accused Uighur separatist groups of being involved in more than 200 acts of violence, including an explosion and assassination, between 1990 and 2001.⁵⁵ With the Chinese view of the 1990s, The New Central Asia, such as Brzezinski's assessment of "a gigantic centralized area between the western and eastern ends of the Eurasian continent, with a population-less and politically unstable, structurally fragmented."⁵⁶ "The situation of the Uyghur separatist groups prepared a favorable environment. China urged neighboring countries to quickly

⁵⁴ M. Aydın, (2005), *Central Asia in China's Strategic Accounts*, Central Asia Eurasia Trilogy I in Global Politics I, Ankara: Nobel Publications. p.77

⁵⁵ U. Siddiqui, *The Ethnic Roots of China's Uighur Crisis*, "Aljazeera America", (Çevirimiçi), <http://america.aljazeera.com/opinions/2015/7/the-ethnic-roots-of-chinasuighur-crisis.html>, [04 Ekim 2016].

⁵⁶ Z. Brzezinski, *The Great Chess Board*, Translated by: Y. Türedi, Istanbul: İnkılap Kitabevi. Chan, L. (2015), *An Overview of Central Asian Markets on the Silk Road Economic Belt*, <http://beltandroad.hktdc.com/en/marketanalyses/details.aspx?ID=472180>, p.53, [accessed: 25.10.2016].

develop cooperation processes in order not to provide any support to the Uighur secessionist groups and to allow separatist groups to take advantage of the region's instability. China has seen it as a priority agenda for national security to resolve border disputes that have existed since the Cold War to live in a problem with Central Asian countries.

In 1996, China came together with its new neighbors, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, in Shanghai, to resolve the border dispute between countries peacefully and created the regional platform of Shanghai Five to provide political stability in the region. Under the platform, China has signed 29 agreements, resolving 12 of the 14 existing border disputes⁵⁷ Thus, China has removed possible disagreements with the Central Asian countries and secured the border of East Turkestan. China was deeply anxious about the movements of Russia's anti-Chechen separatist groups in the 90's, the civil war in which Tajikistan's radical groups took place, and the movements of opposing religious parties in all the Central Asian Countries. After al Qaeda settled in Afghanistan and Pakistan in 1996, there was a growing concern that some Uighur armed groups based in East Turkestan and Central Asia were being restructured with the help of other international radical groups.

In the 2001 report of the US Congressional Research Service (CRS): In East Turkistan region, Groups such as the East Turkestan United Revolutionary Front, the Uighur Liberation Organization, the Lop Nor wolves, the Xinjiang Liberation Organization, the Uighur Liberation Organization, the East Turkistan Youth House and the Free Turkistan Movement were among the armed groups and And it has been suggested that

⁵⁷ Bowen and Yang, 2016: news.xinhuanet.com)= http://www.xinhuanet.com/english/2016-06/22/c_135458107.htm

they are linked to international radical terrorist organizations such as the Communiqué in Pakistan and the Jamaat-i-Islami, the Uzbek-based Hizb ut-Tahrir, the Kazakhstan-based East Turkistan Committee, the Uzbek Islamic movement and Afghanistan-based al-Qaeda.⁵⁸

Against international terrorism that started to create networks events from Pakistan and Afghanistan to Central Asia, Central Asia to East Turkestan in search of a new policy China needs multilateral mechanisms to combat this threat in cooperation with Russia and Central Asian countries sharing the same threat. Therefore, with the participation of Uzbekistan, the Shanghai Five, which was founded on the basis of resolving the border problems of the countries of the region, on June 15, 2001, it became a 6-member Shanghai Cooperation Organization. The organization is set up as a security mechanism in the Chinese leadership, China has to cooperate with the countries of the region to ensure national security.

However, while the main objective of a security organization, the SCO, in the forerunner of China is to fight effectively against international terrorism and separatism and extremism and The development of regional, political and economic cooperation among the members is also included in the establishment document. The SCO, which is basically a security organization as an indication of how much importance member countries place on so secretariat of the organization is located in Beijing, and the Anti-Terror Agency is located in Tashkent (Uzbekistan).⁵⁹ Shortly after

⁵⁸ D. L. McNeal, *China's Relations with Central Asian States and Problems with Terrorism*, CRS Report for Congress, Congressional Research Service, pp. 8-11

⁵⁹ <http://www.strategic-culture.org/news/2016/06/29/shanghai-cooperationorganization-story-success-expansion.html>, [accessed: 04.10.2016]

the establishment of the organization September 11 attack happened in the USA, And in Central Asian countries of SCO members as US military bases begin to be established their territorial area so Russia and China have also changed their Central Asian security policies.

China has become uncomfortable from diplomatic debates over the US and Taiwan and the Tibet issue and increased penetration through military bases in the Asia Pacific region. By increasing the United States military presence in Central Asia in the western border of the China. It has begun to feel surrounded by the military bases of the US and its allies, from east to west. In this context, for removing the military presence of the United States from the region China has been working hard to convince Central Asian countries that the SCO has a structure comparable to NATO in the fight against terrorism.

On 17 June 2004, International terrorism is the most important goal of the SCO for the member states were unanimously adopted at the Tashkent Summit and The Tashkent Declaration has been signed for envisages to joint fight against terrorism. At the end of the report, In the context of SCO, The Tashkent-Based Regional Anti-Terror Agency is a regional top-level security body fighting terrorism and drug trafficking in the region. In the 7th SCO summit held in Bishkek, the capital city of Kyrgyzstan in 2007, America's unipolar world view criticized it will play an important role in the central Asia and other member countries territorial area and the SCO also changes the role of China in the region, as it seeks to play a leading role in the world. Although China does not have any military base in Central Asia it was realized total 13 military exercises with SCO's military component between 2001 and 2013 years.

Central Asian countries saw China's military accumulation as an opportunity to balance its role in the region against the influence of Russia and the US military. And China's initiatives were welcomed.⁶⁰ "The Peace mission 2005" aims to carry the proximity of from economic and political areas to military area which is a tense one between Moscow and Beijing. The two countries, the ongoing conflict over the common border for 40 years, peaked in October 2004. Russian President Vladimir Putin expressed his point of view when taking this important step: "In the years when we left behind in Russia-China relations, a significant distance was recorded. Almost all disagreements between the two countries were lifted. We no longer have any problems that we can approach friendly and produce reasonable solutions. "In Central Asia; China and Russia, who agree that the military presence of the United States is withdrawn from the region, gave the following messages to the world public with the SCO military exercises: Although the countries in the region are not responsible for any internal security problems without NATO AND USA, it is the capacity that they can solve within the scope of the SCO; We do not need the help of any external force to solve the zone's security problems; That the SCO will act jointly in cooperation with security issues of any member state⁶¹. However, the political instability that occurred in Kyrgyzstan from 2005 to 2010 and the Uzbek-Kyrgyz ethnic conflicts, In order for the SCO to have no intervention, With China's decision not to interfere with Kyrgyzstan's internal affairs,

⁶⁰ A. Scobell, E. Rather, M. Beckley, *China's Strategy Toward South and Central Asia An Empty Fortress*, Rand Project Air Force, Rand Corporation Research

⁶¹ H. Çomak, A. Gökalp, *2010'lu Yıllarda Şanghay İşbirliği Örgütü'nün Geleceği ve Türkiye*, II. Uluslararası Sosyal Bilimciler Kongresi, Kocaeli.

Central Asian countries have led to questions about what the actual role of is having in the organization. At the same time, however, SCO for Central Asian countries has the position of security and guarantee actor against Afghanistan's post-NATO instability, ISID, and Taliban threats.

From a Chinese point of view, the security policy towards Central Asia is carried out successfully through SCO. The most important of these was the SCO, which laid the groundwork for good relations with the Central Asian states, reduced the threats that could arise from Central Asia and that the US should withdraw military bases from the region. Moreover, China has 6 dialogue partners (Azerbaijan, Armenia, Azerbaijan, Iran, Pakistan, India, Afghanistan), as well as 6 observer states (Mongolia, Cambodia, Nepal, Sri Lanka, Turkey⁶² also receive international support for their national security interests. In the security architecture of Central Asia, the SCO was founded in 1991 by the Commonwealth of Independent States (CIS) It is an actor that can be compared to the Collective Security Treaty Organization (CSTO). China has reached remarkable sizes its Central Asian security policy with SCO and it has been transformed into a security-free country, though not military bases.⁶³

Energy

China, which is the world's most populous country with a population of about 1,375 million, is one of the most important

⁶² http://rus.sectsco.org/about_sco/, 2016= <http://eng.sectsco.org>

⁶³ H. Duran, *Guvenlik Energi VE Pazar Ekseninde Çin'in Orta Asya Politikasi*, Dumlupınar Üniversitesi Sosyal Bilimler Dergisi, Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016, Special number of Afro-Eurasia-December 2016 pp.283-6

actors of the global economy because it is also the second largest economy in the world. According to the IMF, the Chinese economy has grown by about 10% since the 90's to the present⁶⁴, and it is predicted that it will soon be the world's largest economy by passing the United States. The Chinese economy is 8.9% in agriculture, 42.7% in industry and 48.4% in services⁶⁵. Hence, thanks to the rapidly developing economy since the 1990s, China has become the world's main energy consumer by surpassing the United States in energy consumption in 2010, and its share of world consumption has exceeded 20%.⁶⁶

According to BP 2015 report; The People's Republic of China consumes 11.968 barrels a day, 12.9% of the world's consumed oil after the US, 197.3 billion cubic meters of natural gas, 5.7% of the world's consumption, and 1920 million tons of petroleum equivalent coal and 50% of the world's coal consumed.⁶⁷ In addition, energy consumption is increasing steadily in China. According to the 2014 International Energy Agency (IEA) Petroleum Market Report; China, the world's second largest oil consumer country after the US, consumes 10.1 million barrels a day in 2013, and with this rate, it is 3% higher than in 2012. It is estimated that this increase in oil consumption will reach 12 million barrels per day in 2018

⁶⁴ Report for Selected Countries and Subjects, http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/weorept.aspx?sy=1980&ey=2018&sort=country&ds=.&br=1&pr1.x=40&pr1.y=0&c=924&s=NGDP_RPCH%2CPPPPC&grp=0&a=, [accessed: 28.03.2016]

⁶⁵ <https://www.cia.gov/library/publications/the-worldfactbook/geos/ch.html>, 04 Ekim 2016

⁶⁶ H. Duran, K. K. Yilmaz, *China's Extraction from the Central Asian Energy Sources*, Ed: S. Sarı vd., *International Conference on Eurasian Economies 2011*, Istanbul, Beykent University Publication, p. 36

⁶⁷ <https://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-full-report.pdf>

and 15.6 million per day in 2035. According to the International Energy Agency, China will be the world's largest oil consumer country, surpassing the US in 2030.⁶⁸

As a matter of fact, the amount of coal consumed in China in 2014 increased by 0.1% compared to 2013 and natural gas increased by 8.6%. According to the report of the US Energy Information Administration (EIA), in 2012, the majority of China's total energy consumption (66%) is coal, about 20% petroleum fuel, 8% hydroelectric resources, 5% natural gas, 1% Nuclear energy and the remaining 1% provides renewable energy. In the energy sector, predominantly consumption of fodder causes air pollution. Therefore, in order to reduce air pollution, the Chinese National Energy Agency plans to reduce the share of coal in total energy consumption by 62% up to 2020 by the Chinese government. In addition, it aims to increase the use of natural gas rather than coal and oil and aims to meet 10% of energy consumption with natural gas by 2020.⁶⁹

China's growing need for cleaner and more efficient energy sources also increases China's external dependency on energy. China's imports of energy resources in the market (excluding coal) have increased substantially since the 90s. For example, China, which was a net oil exporter until the early 1990s, has become one of the world's largest importer countries of oil and fuel products since the year 2000. According to data from the US Energy Information Administration in 2013, China has become the world's number one net importer of oil through

⁶⁸ J. Jiang, C. Ding, *Overseas Investments by China's National oil companies: Achievement and challenges since 2011* (Paris OECD/ international energy agency 2014 p. 10 <https://www.iea.org/publications/freepublications/publication/PartnerCountrySeriesUpdateonOverseasInvestmentsbyChinasNationalOilCompanies.pdf> p.10

⁶⁹ [https://www.eia.gov/outlooks/aeo/pdf/0383\(2015\).pdf](https://www.eia.gov/outlooks/aeo/pdf/0383(2015).pdf)

the US. The top ten suppliers in China's oil sector are Saudi Arabia, Angola, Oman, Russia, Iraq, Iran, Venezuela, Kazakhstan, United Arab Emirates and Kuwait. In 2014, more than half of China's oil imports from the Middle East (3.2 million barrels per day), 22% from Africa (1.4 million barrels per day), 13% from Russia and the former USSR countries (778,000 barrels per day) 11% from the US territory (667,000 barrels a day), 2% from Asia-Pacific (127,000 daily) and the remaining 1% from other regional countries. China's 12th Five Year Plan for the Development of the Energy Industry, which was approved in 2013 to reduce external dependency, predicted that China's foreign oil dependency would reach 61% in 2015.⁷⁰

We can summarize the Chinese petroleum demand according to the growth rate as follows: It is predicted that 34% of total petroleum consumed in 2002 will be increased from 55% in 2010, 68% in 2020 and 74% in 2030.⁷¹ In addition, China, which aims to increase its share of energy-consuming natural gas, has reached 32% of its natural gas needs by 2013 due to increased demand for natural gas as a net exporter of natural gas until 2007. (EIA, 2015: 15). Thanks to the rapidly developing natural gas pipeline and infrastructure in 2007, natural

⁷⁰ J. Jiang, C. Ding, *Overseas Investments by China's National oil companies: Achievement and challenges since 2011*, Paris OECD, International Energy Agency 2014 <https://www.iea.org/publications/freepublications/publication/PartnerCountrySeriesUpdateonOverseasInvestmentsbyChinasNationalOilCompanies.pdf>. 11

⁷¹ H. Duran, *Nyambayar PUREVSUREN GÜVENLİK, ENERJİ VE PAZAR EKSENİNDE ÇİN'İN ORTA ASYA POLİTİKASI* *Dumlupınar Üniversitesi Sosyal Bilimler Dergisi*, Dumlupınar University Journal of Social Sciences Afro- Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016 <http://dergipark.gov.tr/download/article-file/347597> *Çin'in Orta Asya Politikası*, (Editör: Mehmet Seyfettin Erol), (2009), *Küresel Güç Mücadelesinde Avrasya'nın Değişen Jeopolitiği* Yeni Büyük Oyun, I. Baskı, Ankara: Platin Yayınları, p.359

gas imports are estimated to reach around 50-80 billion cubic meters in 2020 and 140 billion cubic meters in 2025⁷². Most of China's natural gas needs are derived from liquefied natural gas (LNG) from Southeast Asia, Australia, and Qatar.

When we consider the figures given above we see that China is dependent on terms of oil and natural gas, The countries in the regions where conflicts and instability such as the Middle East and Africa are not lacking. Therefore, in the present China's energy strategy, it is the diversification of energy resources to meet the energy need with uninterrupted and safe energy sources. Indeed, the diversity of energy sources, Chinese government is accepted as one of the basic elements of the "Energy Strategy of the 21 Century". At the same time, despite China's production of oil extraction fields in more than 20 countries, Most of the rich oil and natural gas deposits in the Middle East are shared with Western companies, especially the US, China is causing worries about energy security. In addition, it is another concern of China that the control of western governments in the seaboard where China almost imports all the oil imported from the Middle East and Africa, and especially in Malacca Straits.⁷³

In search of alternative sources, the energy resources of the former Soviet Union countries are increasingly prevalent due to the concern of China securing energy security. Chinese geography's position is more reliable in terms of security and cost of transport from than Central Asian, Middle

⁷² (Ustaoglu(2009) "Çin'in Orta Asya Politikası", (Editör: Mehmet Seyfettin Erol), (2009), Küresel Güç Mücadelesinde Avrasya'nın Değişen Jeopolitiği Yeni Büyük Oyun, I. Baskı, Ankara: Platin Yayınları, p.359

⁷³ Ustaoglu, 2009, *Çin'in Orta Asya Politikası*, (Editör: Mehmet Seyfettin Erol), (2009), Küresel Güç Mücadelesinde Avrasya'nın Değişen Jeopolitiği Yeni Büyük Oyun, I. Baskı, Ankara: Platin Yayınları, p. 360

East, and other regions energy sources. Therefore, The rate of direct investment of Chinese government abroad is constantly increasing within this policy framework. It is estimated that China's cross-border assets will grow by 2020 from \$ 6.4 trillion to \$ 20 trillion by 2015 and become the world's largest foreign investor after five years.⁷⁴ Until a few years ago, while China was one of the leading addresses in foreign direct investment, the contribution of the country to Direct Foreign Investment (DFI) is extremely small. After becoming a member of the World Trade Organization in 2001, China began to rise rapidly among foreign direct investors.

In direct foreign investments, China has recently given priority to energy-related investments. Central Asian countries have a secure geography where they can connect to China with pipelines as well as with other energy sources countries. In China's energy policy, Kazakhstan, which has rich energy resources in the Caspian Basin, has a great importance. China has long been interested in the energy resources and geographical location of the Central Asian region. In 1997, China entered the energy sector of Central Asia. In September 1997, China's state-owned company CNPC (China National Petroleum Corporation) officially launched the energy presence of China's Central Asia by buying 60% of Kazakhstan's Aktobemunaygaz. In the same year, between China and Kazakhstan "Agreement on Cooperation in the Oil and Gas Field Between the Republic of Kazakhstan and the People's Republic of China", "Between the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan and China National Oil Company, Construction of Kazakhstan- China Pipeline and

⁷⁴ <https://www.matriksdata.com/website/matriks-haberler/genel/2015/8/20/689356-cin-in2020-yilinda-dunyanin-en-buyuk-dogrudan-yabanci-yatirimcisi-olacagi-tahminediliyor/>, [07 Ekim 2016]

Processing of Energy Beds in Kazakhstan Final Agreement “has been signed. In line with agreements, the Chinese government invested \$ 4 billion in Kazakhstan’s Aktobemunaygaz company and about \$ 5 billion in Özenmunyagaz.⁷⁵ Kazakhstan’s Chinese influence in the energy sector grew even further in the early 2000s with the adoption of China’s Open Door policy. After China became a full member of the World Trade Organization on December 11, 2001, there has been a significant increase in foreign investment. China’s Open-door policy in process between 1997 and 2007, foreign currency movements have increased significantly in the meantime. In August 2003, China, which bought all of the shares of the Severney Buzachi Operating in Kazakhstan, In April 2005, CNPC’s subsidiary CNODC (China National Oil and Gas Exploration and Development Corporation) bought all the shares of Aydan Munay. In addition, in 2005, CNPC, Kazmunaygas, has bought a 33% stake in the company Petro Kazakhstan⁷⁶. In 2013, the Kazakhstan news agency KazTAG estimates that the share of Chinese companies in the current Kazakh energy sector is over 40% and that China’s share of natural gas and oil production in Kazakhstan territory will reach 50% in the coming years.

China entered the Turkmen energy sector in 2002. First, China’s CNPC company signed an agreement with Turkmenistan’s Turkmennefti company in January 2002, for petroleum extraction invested with 100% for 5 years with “Gumdak” oil

⁷⁵ A. Hekimoğlu, *Uluslararası Dengeler Bağlamında Orta Asya’daki Enerji Politikaları*, Ed: Kafkasyalı, M. Savaş, Bölgesel ve Küresel Politikalarda Orta Asya, Ankara; SFN Yayıncılık, p-301

⁷⁶ A. Hekimoğlu, *Uluslararası Dengeler Bağlamında Orta Asya’daki Enerji Politikaları*, Ed: Kafkasyalı, M. Savaş, Bölgesel ve Küresel Politikalarda Orta Asya, Ankara; SFN Yayıncılık, p.302

bed. On July 20, 2005, CNPC signed a cooperation agreement with the Ministry of Petroleum, Natural and Mineral Resources of Turkmenistan in the oil sector. Furthermore, in April 2006, an agreement was signed between the CNPC and the Ministry of Petroleum and Natural Gas of Turkmenistan to adopt the basic principles of the joint gas project. On July 11, 2007, an agreement was signed between CNPC and Turkmengaz to operate and sell natural gas deposits on the right bank of the Bagtyyarlyk and Amu Derya river in Turkmenistan. According to this agreement, Turkmenistan will export 30 billion cubic meters of natural gas to China for 30 years.⁷⁷ In August of 2007, Construction of natural gas pipeline started to CNPC China-Central Asia (China-Turkmenistan). This pipeline project, which aims to transport natural gas to China through Turkmenistan, Kazakhstan and Uzbekistan, consists of three parts: It will be built outside the borders of China, 1,292 km of pipeline totaling 1.818 km in length, costing \$ 3.71 billion, was built on Kazakhstan soil and 525 km on Uzbekistan soil.. An agreement has been reached to share the profit from the operation of natural gas deposits in Turkmenistan. (A total of 30 billion cubic meters of other deposits, including 13 billion cubic meters of natural gas reserves in America).. The second line that forms the West-East natural gas pipeline passing through the Chinese territory.⁷⁸

In 2009, 10 billion cubic meters of natural gas was transported from Turkmenistan, Uzbekistan, and Kazakhstan to China from the completed pipeline in 2010. It is estimated

⁷⁷ [www.cnpc.com.cn](http://www.cnpc.com.cn/en/Turkmenistan/country_index.shtml), CNPC in Turkmenistan, (Çevirimiçi), http://www.cnpc.com.cn/en/Turkmenistan/country_index.shtml, [10 Ekim 2016].

⁷⁸ A. Hekimoğlu, *Uluslararası Dengeler Bağlamında Orta Asya'daki Enerji Politikaları*, Ed: Kafkasyalı, M. Savaş, Bölgesel ve Küresel Politikalarda Orta Asya, Ankara; SFN Yayıncılık, p. 304

that the carrying capacity of the Turkmenistan-China pipeline will reach 40 billion m^3 . Turkmenistan carries out natural gas sales to 4 countries: Iran, Kazakhstan, Russia, and China. China is the biggest export market of Turkmenistan and it sold 62% of the natural gas exported to this country in 2014. It is expected that the amount of natural gas that Turkmenistan will sell to China it will reach 65 billion m^3 in 2020.⁷⁹

In 2009, We can say that China entered Uzbekistan's energy market with the Central Asia-China pipeline being active. With the Central Asia-China pipeline commissioning, 10 billion m^3 of Uzbek natural gas annually started to be exported to China. As a matter of fact, during the visit of President of Uzbekistan Islam Karimov to Beijing in April 2011, In addition to the Central Asia-China pipeline Construction of an annual 25 billion m^3 capacity pipeline have come to the agenda. In October 2013, China's CNPC company and Uzbekneftegaz established New Silk Road Oil and Gas Company (LTD), a joint venture for processing natural gas deposits in Uzbekistan. In 2015, The pipeline passing through the territory of Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, China in the length of 1000 km, part D of the Central-Asia pipeline began to be built Uzbekistan part (210 km). China finances projects in the D-part as well as in other Central Asian countries with about \$ 800 million.⁸⁰ Although Kyrgyzstan and Tajikistan do not have rich resources in terms of oil and natural gas As a geographical transit country, Central Asia has great

⁷⁹ E. Akhundzada, *Türkmenistan İçin Güney Gaz Koridorunun Önemi Artmaktadır*, (çevrimiçi) <http://tr.trend.az/business/energy/2486960.html>, [11 Ekim 2016].

⁸⁰ E. İsmayilov, T. Ve Budak, *Bağımsızlık Sonrası Özbekistan'ın Enerji Politikası*, "BİLGESAM" Analiz/Enerji, No: 1203, İstanbul. (Çevrimiçi), <http://www.bilgesam.org/Images/Dokumanlar/0-411-20150407131203.pdf>, [24 Ekim 2016]

importance in reaching China's energy resources. The energy relations of Tajikistan and Kyrgyzstan with China are Turkmenistan natural gas as a transit country, As a fourth line, it passes through Uzbekistan, Tajikistan, and Kyrgyzstan and reaches China.⁸¹

Economy

In China's economic policy, Central Asia is not only an important market for Chinese goods but also a neighboring region with abundant energy resources, as well as being the most important region in terms of national security. In 1991, The Central Asian countries experiencing the economic crisis in the process of transition to the free market economy and they are going destabilization in the political area so, China starts to get more interested in East Turkestan. China, for the national security, the necessity of an economically developed Central Asia, the Chinese authorities to increase all kinds of economic cooperation with the countries of the region, It was forced to set strategic goals. In short, the increase in economic prosperity between Central Asia and China, The understanding that political stability will form the ground, It is the basic principle of China's Central Asian economic policy. Since 1991, the formation of new relations, the development of economic relations and the increase of mutual trade between China and Central Asian countries have emerged as a result of this understanding. Already due

⁸¹ H. Duran, *Guvenlik Enerji VE Pazar Ekseninde Çin'in Orta Asya Politikasi*, Dumlupınar Üniversitesi Sosyal Bilimler Dergisi, Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016, Special number of Afro-Eurasia-December 2016 p.286-9 <http://dergipark.gov.tr/download/article-file/347597>

to geographical proximity, Bilateral trade ties with a natural advantage, China's rapidly developing economy and It developed in a short time due to the rich energy resources of Central Asia.

In Kazakhstan, which gained independence in 1992, With the opening of the first Chinese-Kazakh border crossing Dostyk Alatau Thanks to the numerous agreements signed between 1992 and 1997, China traded between an average of \$ 350-700 million each year. Dramatically increasing China-Central Asia trade volume has increased by 25% since 1998, when the economic crisis of the Russian Federation has slowed down the economies of the Central Asian countries. In 2000, the volume of trade jumped up as China increased its energy demand through Central Asian energy sources; Bilateral trade volume increased by 200% between 2002 and 2003, reaching \$ 3 billion, up by 150% between 2004 and 2006.⁸²

China's trade with the Central Asian countries has reached the historic peak by \$ 50 billion in 2013. Kazakhstan, the largest trading partner of China's Central Asian countries, ranks first with \$ 22.5 billion with Turkmenistan, \$ 9.3 billion with Uzbekistan, \$ 4.5 billion, with Tajikistan \$ 2.1 billion with Tajikistan and \$ 1.5 billion with Kyrgyzstan.⁸³ China's trade volume with the Central Asian countries has increased by an amazing 100 times in 10 years. China, which has been assessed for its trade with Central Asian countries in 2014, Trade Minister

⁸² S. Peyrouse, *Economic Aspects of the Chinese –Central Asia Rapprochement*, Central Asia-Caucasus Institute and Silk Road Studies Program, (çevrimiçi), https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/0709ChinaCentral_Asia.pdf, 09 Ekim 2016.

⁸³ N. P. Contessi, *Central Asia in Asia: Charting Growing Trans-Regional Linkages*, "Journal of Eurasian Studies", V:7, I:1, pp3-13. (çevrimiçi), <http://www.sciencedirect.com/science/article/pii/S1879366515000329>. [09 Ekim 2016]

Yao Jian voiced plans for trade with Kazakhstan to reach \$ 40 billion in 2015 and \$ 5 billion for Uzbekistan in 2017. According to the Chinese Minister, trade increase in trade volume in coming years; The Chinese currency Yuan (Renminbi) will also positively affect the start of payment.⁸⁴

Along with the growing trade between China and Central Asian countries, China's investment has increased significantly in the region. After the global crisis, It is seriously damaged from the 2009 crisis and the investment amount of China increased while the investment amount of Western and Russian investors decreased in Central Asian countries. In 2009, China's direct investment in Kyrgyzstan and Turkmenistan, It has increased steadily to \$ 100 billion in the following years. The amount of Chinese investment in Kazakhstan was \$ 4 billion, while investment in Uzbekistan reached \$ 1.65 billion in 2010. In 2011, a number of loans granted by the China Development Bank to projects in the energy and transportation sectors of the SCO member countries reached \$ 38.5 billion⁸⁵. In 2014, Chinese authorities announced that Chinese companies from the \$ 40 billion project under the project will continue to be involved in similar investments in mainly Central Asia and ASEAN Countries to create infrastructure for the New Silk Road Project (Silk Road Economic Zone) and the Sea Silk Road Project.⁸⁶

⁸⁴ Russian.news.cn, 2013 yılında 4 orta asya ulkesi ile ticareti 40 milyar \$'ı aştı, (Çevirimiçi), http://russian.news.cn/economic/201402/13/c_133112976.htm, 06 Ekim2016.

⁸⁵ L. Xin, x. Daleng, *Chinese and Russian Economic Interests in Central Asia: Comparative Analysis*, "China, The United States, and the Future of Central Asia: U.S.-China Relations", Volume I. (Edited by: David B. H. Denoon), New York University Press, pp. 130-153.

⁸⁶ S. Tiezzi, *China Invests in World*, "The Diplomat", (Çevirimiçi), <http://thediplomat.com/2015/06/china-invests-in-the-world/>, [07 Ekim 2016].

China is not only the largest trading partner and investor in Central Asia but also the largest lender of the region. Since 2015, when Kyrgyzstan gained independence, a number of loans it has received from China has exceeded \$ 1.8 billion, reaching more than half of all foreign borrowers in the country. There is a similar situation in Tajikistan. 40% of all foreign borrowing of the country constitutes loans taken from China Export-Import Bank. Similarly, during the 2008 global financial crisis, China provided large loans to Turkmenistan not only to buy gas but also to borrow from international financial institutions for energy projects.⁸⁷ So in the last 20 years, China has become the biggest investor and capital control actor in the Central Asian region.

Xi Jinping was president of the China in 2013, China has begun a new era in the economic policy toward Central Asia. China leader announced the New Silk Road Project with the slogan “One Way, One Generation” in Central Asia’s public speech at Nazarbayev University in Kazakhstan on September 7, 2013.⁸⁸ Jinping emphasized that China will never intervene in the internal affairs of Central Asia when it proposes the project, never try to establish regional domination in Central Asia and intend to expand its influence area. Within the scope of the new Silk Road project, the most convenient route that can reach China to the European market by road is Kazakhstan steppes. In 2008, Kazakhstan leader

⁸⁷ K. Toktomushev, *The Silk Road Economic Belt’s Impacts on Central Asia*, (çevrimiçi), <http://www.chinausfocus.com/finance-economy/the-silk-road-economicbelts-impacts-on-central-asia/>, [09 Ekim 2016]

⁸⁸ E. Özdaşlı, *Çin’in Yeni İpek Yolu Projesi ve Küresel Etkileri*, “Turkish Studies: International Periodical for the Languages”, Literature and History of Turkish or Turkic, Volume:10/14, Ankara, pp. 579-596. (çevrimiçi), http://www.turkishstudies.net/Makaleler/1490871226_31%C3%96zda%C5%9Fl%C4%B1Esme-sos-579-596.pdf.

Nazarbayev brought the “Western Europe and Western China” corridor project on Russia-Kazakhstan-China territory for the first time, but Nazarbayev’s corridor proposal did not receive sufficient support before China announced the project.

China is at the forefront of projects that will provide access to China-Central Asia-West Asia economic corridor, China from land to the Middle East, Europe, and Africa, with six corridors scheduled to be built under the major economic project. The China-Kazakh Cooperation Center has been active in the newly established city of Khorgos on the border of Kazakhstan and China in order to pass the project successfully in 2014. A joint declaration on the establishment of the Silk Road Economic Zone was signed in China-Central Asia Cooperation Forum held in Shangdong in China in 2015.⁸⁹

The new Silk Road project will bring China closer to Europe through Central Asia and Europe closer to the Chinese market, as soon as the land and sea routes are alive. The production power of the giant Chinese market, the capital, and advanced technology of the European market will be networked between the energy and raw material resources of Central Asia. With increased welfare, Advantages such as reduced security worries in the East Turkestan Autonomous Region and Central Asia will satisfy all actors who are party to the project.⁹⁰ China has set up the Asian Infrastructure Investment Bank (AIIB) in 2015 to pass the New Silk Road project to life. The bank, which will be undertaking the financing of the “Silk Road” project for the new Silk Road, is set

⁸⁹ L. Chan, *An Overview of Central Asian Markets on the Silk Road Economic Belt*, (Çevrimiçi), <http://beltandroad.hktdc.com/en/marketanalyses/details.aspx?ID=472180>, [25 Ekim 2016].

⁹⁰ A. Atlı, *Çin ve Yeni İpek Yolu Projesi*, (Çevrimiçi) <http://www.altayatlı.com/files/Analist44IpekYolu.pdf>, [06 Kasım 2016].

up with a capital of \$ 50 billion, and it requires \$ 1.4 trillion to fully realize the investments under the project. This budget is 12 times more than the US assistance (\$ 120 million) under the Marshall scheme. The most important issue about the project is related to security. The main problems are the fact that the 81,000 km high-speed train line to be implemented will pass from a number of countries, and the security of the pipelines and the roads in the Khasgarghwadar economic corridor between China's west and Pakistan (the most difficult and heavily argued region of the world's defenses).⁹¹

It is clear that China's investments in the Central Asian energy sector, with its great economic potential, have provided considerable support to the weak economy of Central Asian countries, which have gained new independence. Especially in 2009, After the China-Central Asia pipeline came into force, China's sovereignty began to increase in Kazakhstan, Uzbekistan, and Turkmenistan's energy sector. Today, most of the major energy companies in Central Asia hold the majority of China. However, due to the growing influence of China, the shaking of the Russian monopoly in the energy sector of Central Asia has become one of the main issues of competition and cooperation debate between Russia and China. The diversity of foreign actors in the Central Asian energy sector is in terms of Central Asian countries, which had previously only been dependent on Russia. While Russia tries to integrate with the Central Asian countries through integration projects such as CIS, Customs Union and Eurasian Economic Union (AEB) since the 90's, the economic influence

⁹¹ Z. Zhiquan, *China's AIIB and 'One Belt One Road': ambitions and challenges*, (çevrimiçi), <https://www.chinadialogue.net/article/show/single/en/8231-China-s-AIIBand-One-Belt-One-Road-ambitions-and-challenges>, [06 Kasım 2016].

of China on the region is stronger day by day. Moreover, with the New Silk Road Project (NSP) in 2013, China's economic influence in the region has gained further potential for expansion. The Central Asian region is also of great importance not only for China's energy and economic reasons but also for securing the country's security and regional security.⁹² Major security problems in the Central Asian region, such as international terrorism and the spread of radical groups, the existence of US military bases and the emergence of political instability, are considered as problems that directly or indirectly threaten China's national security.⁹³

New Silk Road Strategies and Trans- Eurasion Security System

This project, which can be read as an answer to the new Asia-centered initiatives of the status quo countries like the USA (Asia Pivot) and the new trade agreements that exclude China (Trans-Pacific Partnership), is important for linking China to Europe and the Middle East. The historic Silk Road is the name given to the trade route from China to Europe and is one of the largest caravan routes used throughout history.⁹⁴ The first thing I want to mention here is that the Silk Road caravan as a source of income in the historical period

⁹² H. Duran, *Guvenlik Enerji VE Pazar Ekseninde Çin'in Orta Asya Politikasi*, Dumlupınar Üniversitesi Sosyal Bilimler Dergisi, Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016, Special number of Afro-Eurasia-December 2016 p.289-291

⁹³ https://birimler.dpu.edu.tr/app/views/panel/ckfinder/userfiles/17/files/DERG_/afroavrasya/281-294.pdf

⁹⁴ For more information, see E. Remaining, & "XIII-XIV. Commercial Policies of the Northern Silk Road and Golden Orda Hans in the Centuries ", Eurasia Survey Silk Road Special Issue, Hangar Marka İletişim Reklam Hizmetleri publishing Ltd. Şti. , Ankara 2014/1, p. 43-62.

caused violent competition between Turkish tribes and their neighbors. From Huns to the fall of the Uighur Khanate, the Turks and Chinese wanted to dominate the Inner Asia region, the transit center of the Silk Road, for a period of about a thousand years.

The Turkestan region lived in the golden age in the Middle Ages, especially when the Silk Road was alive, and to history left the rich heritage of Turkish-Islamic cult. Prior to geographical discoveries, important cities such as Kashgar, Bukhara, Samarkand and Merv were established on the Silk Road and the Turkestan region became the main central and central city of the Islamic civilization. Through the Silk Road spread, The first is the philosophy and religion between the west and the east, the second is the art models and the third is the science and techniques. For example, Biruni, Ibn-i Sina, Farabi, Yusuf Balasaguni, Mahmud Kashgari, Ahmed Yesevi, Ali Kuscu were the intellectuals who left the traces of these periods.

Thus, for centuries, the Silk Road brought the Eastern `s knowledge of nature and wisdom to the practicality and richness of the western world. The Turkestan continent, which is surrounded by land on four sides and opened to the world through the Silk Road, has been closed to the world for over a hundred years. Since the end of the nineteenth century, the loneliness policy imposed by the Tsarist administration has been influential in the closure of Turkestan's environment. From the eighteenth century on the one hand, the division and internal quarrels that have taken place in the region, on the other hand the expansion of the Russian Empire on the north and the British Empire on the south, this situation is isolated Turkestan from the developments in the world. A Moscow-based transportation infrastructure emerged after the division had entered the Russian sovereignty and during

the ongoing Soviet period. The project, now called the New Silk Road, It will combine all transport networks with each other and seem to be capable of positioning the countries of the region in a global trade orbit.⁹⁵

The Eurasian Corridor Security System

Along with that Silk Road Strategy be put into life, In order to control the energy sources on it and to protect the trade routes, It requires an appropriate security system in the whole Eurasian corridor. Under the title of “Border Control Aid” at the US Congress: Purpose of Assistance Preventing South Caucasus and Central Asian countries from securing their territory, spreading technology and materials related to illegal drug trade and weapons of mass destruction, and organizing criminal activities. Support activities were mentioned the sentence of “national border guards, coast guard and customs controls should be supported, including assistance to those countries in the South Caucasus and Central Asia to improve their capabilities.”⁹⁶ This section emphasizes the problem of militarization for security. This militarization has been directed against China, Russia and Iran in particular.

As it said in the text of the draft convention: “The president announced at the congress that the use of all viable diplomatic instruments for an impartial, just and lasting solution to the conflicts in the South Caucasus and Central Asia should be used, accompanied by press and senior US government

⁹⁵ A. Ergin, *Yeni Ipek yolu strategileri ve Transavasya güvenlik sistemi*, Tarih ve gelecek dergisi cilt :2 sayı:3 <http://dergipark.gov.tr/download/article-file/263549> p. 1

⁹⁶ Silk Road Strategy Act, <http://www.govtrack.us/congress/bills/109/s2749/text>.

officials. Establishment of consensus among the warring parties in the South Caucasus and Central Asian countries is one of the main objectives of promoting economic development in these countries affected by internal conflict and war and promoting broad regional cooperation.⁹⁷ In the 1999 Silk Road Strategy Act, Caucasus and Turkistan states, which are exposed to political and economic oppression from the south, north and east, The necessity of US aid has been emphasized once again by indicating that the ties with the West will lead to stability.

Communication, transportation, infrastructure planning, financing, including air transportation, participation of US companies and investors and encouraging the construction industry, Support of the trade and energy sector, including roads, railways, port facilities, transport, banking, insurance, telecommunications networks and gas and oil pipelines. International Bank for Reconstruction and Development, International Finance Bank and European Bank for Reconstruction and Development United States representatives, South Caucasus and Central Asian countries agreed to provide assistance for the development of regional economic cooperation and physical infrastructure. The capabilities of these countries will be improved for free market economies and help South Caucasus and Central Asian countries to make policies, laws and regulations for participation in the World Trade Organization. A strong trade route will be established between the United States and the South Caucasus and Central Asian countries. The necessary physical infrastructure will be improved For regional cooperation between South Caucasus and Central Asian countries. Close economic relations to be

⁹⁷ Silk Road Strategy Act, <http://www.govtrack.us/congress/bills/109/s2749/text>.

encouraged and facilitate cross-border trade between these countries and the United States and other developed countries. To support defined activities, The United States Export-Import Bank completes a review of its suitability for financing according to the 1945 Export-Import Bank Act. Insurance, re-insurance, financing or other assistances provided by Overseas Private Investment Corporation.⁹⁸

This law, which was updated in 2006, was part of the strategy of transforming the former Soviet geography. The Silk Road is an opportunity for stabilization in Afghanistan and for the opening of new commercial channels in the region. Developments in Afghanistan are drawing attention of the international community and various projects are being developed for the development of the country. Resolving security problems in the country, providing political and economic stability, they are preparing environment for new economic initiatives. For this reason⁹⁹ Afghanistan's rehabilitation process is supported by various countries, mainly the Central Asian Republics. In this context, in November 2010, Turkey has also shown that it will contribute to the process by hosting the Regional Economic Cooperation Conference (RECCA)¹⁰⁰ to support Afghanistan.

It seems that, Global forces need to promise social, economic and vocational opportunities in areas they want to work besides their real goals:

⁹⁸ Silk Road Strategy Act, <http://www.govtrack.us/congress/bills/109/s2749/text>.

⁹⁹ See Silk Road and Afghanistan. A. C. Kuchins, T. M. Sanderson, D. A. Gordon, *Afghanistan: Building the Missing Link in the Modern Silk Road*, "The Washington Quarterly", 2010, 33/2, p. 32-36.

¹⁰⁰ O. Kulaklıkaya, *Global Silk Road Central Asia's Global Economy Opening Door*, Tepav, [http:// www. Tepav.org.tr/en/ee kibimiz/s/1255/Omercan+Kulaklikayaya](http://www.Tepav.org.tr/en/ee kibimiz/s/1255/Omercan+Kulaklikayaya)., February 2013, [accessed: 28.03.2016], p. 4.

To promote democratic government institutions in the South Caucasus and Central Asian countries, To create conditions for the growth of pluralist societies, including internationally recognized human rights and religious tolerance. Helping to build democracy, including programs to strengthen parliamentary institutions and practices. Helping civil society organizations and independent media develop. To support the rule of law in political practice and commercial transactions, the dominance of a strong independent clause and the development of transparency.

To organize advanced vocational training programs in international exchange and civil society development centered skills areas.¹⁰¹ At this point, while global powers conceal their own interests, they prefer to disclose the interests of the opposing party.” A strong international network of contacts between these countries to help develop the necessary infrastructure for communication, transport, education, health, energy and trade with the stable, democratic and market-oriented Euro-Atlantic Community countries on the East-West axis. To support USA commercial interests and investments in the region¹⁰². While the United States strengthened its activity on the Silk Road Strategy and the Silk Road geography, it also aimed at promoting pro-US governments in the mentioned geography. This is vital in maintaining America’s global supremacy.¹⁰³

¹⁰¹ Silk Road Strategy Act, <http://www.govtrack.us/congress/bills/109/s2749/text>.

¹⁰² Silk Road Strategy Act, <http://www.govtrack.us/congress/bills/109/s2749/text>

¹⁰³ A. Ergin, *Yeni Ipek yolu strategileri ve Transavasya güvenlik sistemi*, Tarih ve gelecek dergisi cilt :2 sayi:3 <http://dergipark.gov.tr/download/article-file/263549> p. 13-5

China's Initiative

Along with that, Some experts argue that differences of opinion between China and the United States, particularly in Syria, Taiwan, and the South China Sea, will put the implementation of the project into trouble.¹⁰⁴ The arming race is more complicated than ever. The alliance between the Sino-Russian alliance and the US-Japan Japan regarding the Central Asian Politics seems to have intensified in terms of security in Asia-Pacific and Europe.¹⁰⁵ China and Russia have taken measures including strengthening bilateral cooperation on national defense, military strategy and weapons development.¹⁰⁶

The economic power of China, especially in Asia, spreading to many parts of the world, and it's Close dialogue with Russia, that situations increase Washington's worries. Despite this fact, more than sixty countries explained that they wanted to be involved in China's initiative. The most important uncertainty; especially, Asia-Pacific countries that are economically connected to China but they trust to USA about their securities this situation is discased by Politicans whether

¹⁰⁴ As far as developments are concerned, during Obama administration, the US is developing a global ballistic missile defense system to protect its own land from active missile attacks. It also increases its missile defense capacity in the region to protect its overseas military bases and NATO countries, as well as its allies in Asia and the Middle East.

¹⁰⁵ Y. Diril, *Japan's Central Asian Policies*, II. International Congress of Social Scientists Congress Book, Kocaeli University Publication, Kocaeli 2009, p. 910-919

¹⁰⁶ China is also trying to expand its aircraft wing fleet while developing weapons systems, including early warning of air (AEW) and nuclear submarines. See. T. Fu-sheng, "US Deployments Heralding Arms Race With China and Russia", <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20150614000067&cid=1703>, 14 June 2015, [accessed: 15.03.2016]

it will cause a potential alliance change.¹⁰⁷ For this reason, one of the most important questions about how realistic it is for some of the countries in the region to have close dialogue with the US to cooperate with China “despite Washington.

In addition, Beijing has border problems with many regional countries, and conflicts at the point of maritime use can reduce the interest in the project.¹⁰⁸ Likewise, access to the solution of the South China Sea conflict, which is between the US and China, including other countries of the region, is also an important element in the full implementation of the project.¹⁰⁹ Recognizing that USA has lost much energy and time in the Middle East, It began to become increasingly more involved to South Sea issue America believed to be

¹⁰⁷ Fu-sheng, a.g.m., www.wantchinatimes.com.

¹⁰⁸ For example, according to Indian Foreign Minister Sushma Swarej; The main obstacle to the implementation of the Maritime Silk Road Project is the border disputes China has with Southeast Asian countries. Swarej also stated that his country would like to take part in the project, but refused to commit fully. See. Fu-sheng, a.G., www.wantchinatimes.com

¹⁰⁹ The growing tension in recent years in the South China Sea is the highest risk of conflict in Asia. While China historically claims sovereignty almost entirely of the South China Sea, other countries reject it based on international law. In terms of balancing China, the fact that the capacities of the riparian countries like the Philippines, Vietnam and Malaysia are very limited puts a photograph of these countries closer to the US. As the US pursues a more active policy toward the region, it has to face China more often. Although there has not been a hot clash yet, the waters are getting warmer in the South China Sea. This politics that China is watching is causing tensions with the United States. As a matter of fact, last October 27, the US sent a guided missile-equipped USS Lassen Ship to patrol the 12-mile Spratly (Nansha) Islands for a message to China. The tension has further escalated as the US has responded to this move and China has sent war ships to the region. See. Y. Erşan, “Conflicting Interests and Rising Blood Pressure in the South China Sea”, Analyst, www.analstandgisi.com/bolge-analizleri/asya-pacific, December 2015, [accessed: 17.03.2016]

China's back garden and weak stomach, which it saw as a strategic rival.¹¹⁰

The instability of the conflict areas that exist in the region poses a threat not only to China but also to the regional and global order. The future of the Silk Road project, which also aims to solve the bilateral problems between terrorism and the countries of the region peacefully, is also closely related to how to manage the instabilities that arise from these areas of tension. Considering China's Middle East oil and high-level dependence on Central Asian gas, The project is striking that China is an indispensable geopolitical necessity. However, the political problems that China can produce such as energy need and Uyghur problem are not much emphasized. However, it is not easy to convince both the region and the countries outside the region of the project before discussing all the details of such a project that China has brought to the fore. The Silk Road project could give new impetus to developing bilateral relations between Turkey and China¹¹¹. China has strategic interests under the revival effort of the historical Silk Road, That is, the reference and source for today and tomorrow from the influence and functions of the Silk Road in history. The Chinese side, in this sense, it wants to develop a new Silk Road project with Turkey.

After the Cold War Turkish-Chinese relations began to take place the revival discourse of the historical Silk Road. Both countries are planning to provide the benefits of the old Silk Road, which will revive the commercial sense. The People's Republic of China has played a leading role in the new

¹¹⁰ See Turkey's prominence on the Silk Road. M. Eryiğit, *Border Disputes in the South China Sea and Its Impact on the US-PRC Relations*, DÜBAM, www.dunyabulteni.net, 2016, p.4, [accessed: 04.04.2016].

¹¹¹ Zan Tao, a.g.m., s. 10.

routes that transport Turkestan to the East. Turkey is the candidate country to become the “Strategic Terminal Center.”¹¹² In the ongoing process, The opening of the sub-structure of the logistics centers supporting the terminal market, It should be implemented rapidly policy implementations for the establishment of the world oil and natural gas stock exchange, as an international trade, outline and control center. In the control center will be created with the establishment of an information network by providing all the information about the data bank pipelines, The function of being the center of the international natural resource data network will be monopolized by Turkey. The negative aspects of the pipelines are mentioned at the media, because they cause environmental problems. The protection of ecological balance is important in sustainable development policies. The “safety zones” to be built for the safety of pipelines and construction operations in areas where pipelines have passed,¹¹³ It will make the agricultural land unusable.¹¹⁴

¹¹² M. Bakırcı, *Historical Transportation Network and Silk Road of Anatolia from Geographical Point of View*, Eurasia Survey Silk Road Special Issue, Hangar Brand Communication Advertisement Services Publishing Ltd. Şti., Ankara 2014/1, p. 63-86

¹¹³ A. Ergin, *Yeni Ipek yolu strategileri ve Transavasya güvenlik sistemi*, Tarih ve gelecek dergisi cilt :2 sayi:3 <http://dergipark.gov.tr/download/article-file/263549> p. 15-7

¹¹⁴ A. Orhan, *New Ipek Roads: Pipelines and Terminal Markets*, Econanadolu 2011: Anadolu International Conference in Economics II, Eskişehir 2011, p. 12; M. B. Ekinçi, *The Silk Roads From Past to Future and Their Interactions with Turkey*, Eurasia Survey Silk Road Special Issue, Hangar Brand Communication Advertisement Services Publishing Ltd. Şti., Ankara 2014/1, p. 63-86

The Silk Road in Layout of the new world order

In this part of history, even the most primitive economies, they are obliged to enter into global, continental or regional polarizations. The developed countries contributions are really very valuable to developing countries. But until now we can not explain why these contributions are usually always in the theoretical dimension. For example, newly established Republics in the Caucasus and Turkestan regions are struggling with political methodological problems instead of investing in the economy and education, while global powers are tightening them into a narrow space. Indeed, scope SRS to post- Soviet Republics, Neo-liberalism idea has proposed some important new thoughts for future of that republics. "To encourage the mutual cooperation of the peoples on the Silk Road with the restoration of historical and economic relations, is an important element in the success of democratic and market reforms as well as the sovereignty of these peoples.

The development of strong political, economic and security ties between the South Caucasus and Central Asia and the Western countries will encourage stability in this region, which is vulnerable to political and economic oppression in the south, north and east. Many secular Muslim countries in the South Caucasus seeking close alliance with the US have active and sincere diplomatic relations with Israel. The US foreign policy should be aimed at supporting economic and political independence as well as regional economic integration of the South Caucasus and Central Asian countries along with free market economies and human rights.¹¹⁵ Such

¹¹⁵ *Silk Road Strategy Act*, <http://www.govtrack.us/congress/bills/109/s2749/text>.

targets can be explained by the wealth levels of these countries in terms of their economics. We suppose it would be good to use the term “good and bad is good” for the poor here. Nevertheless, the socio-economic functions of the developed countries should not be underestimated on the developing countries. The IMF and the World Bank are indispensable competitors of the SRS, which encourages “free market economies” and seeks to ensure its continuity, “The development of open market economies and open democratic systems in the South Caucasus and Central Asian countries will provide positive incentives for international private investment, increased trade and other forms of world lag and trade interaction.”¹¹⁶ So it can be said that the main function of the western societies is to export the system. The liberal societies who observed that the proposals of the traditional Soviet economic theories that had been inherited by the states were generally inadequate tried to evaluate this filling as an opportunity and opportunity to reach their strategic goals. This economic cooperation and aid process is one of the techniques to protect the liberal system in terms of its political and military consequences.

At this point we are giving up on the unity that has transformed militarization. The militarization process under SRS is broadly against China, Russia and Iran. SRS is making the following call: “The development of strong political, economic and security ties between the countries of the South Caucasus and Turkistan and the West will encourage a very sensitive stabilization of political and economic pressures to the south, north and east in this region.”¹¹⁷ In short, strategists should

¹¹⁶ *Silk Road Strategy Act*, <http://www.govtrack.us/congress/bills/109/s2749/text>

¹¹⁷ M. Chossudovsky, *Eurasian Corridor: Pipeline Geopolitics and the New Cold War*, <http://www.koxuz.org/home/node/1921>, [accessed: 15.03.2016]

be able to access the energy resources of the South Caucasus and Turkistan as an alternative to the observation that the US could produce enough oil to reduce the energy dependency from the Middle East region. The SRS includes the following statements: The South Caucasus and the Central Asian region can produce enough oil and gas to reduce the US dependency on energy in the Basque Gulf region.¹¹⁸

But besides that, we have to add that the strategies of global forces are a real historical phase and transformation. If we want to express in a more general context of subject, An important part of the New Silk Road literature consists of explanations made under the name of humanitarian aid, but in fact it has military and political objectives: "In this subsection, humanitarian assistance means help to meet human needs, including food, medicine, medical equipment and equipment, education and clothing needs. Support activities: Providing humanitarian needs for conflict victims. Facilitate the transformation of homes and refugees and displaced persons. Helping the restructuring of housing and economic infrastructure destroyed by war. In the Congress, it announced that it should not support the establishment of neutral, multinational peacekeepers to implement peace agreements between the archers in the United States, South Caucasus and Central Asia.¹¹⁹ History knowledge is created by the contents of documents based on real incidents and events. Attempts to test the above proposals are considered humanitarian unless these projects are proven to be wrong. However, at the end of the experience, the military

¹¹⁸ *Silk Road Strategy Act*, <http://www.govtrack.us/congress/bills/109/s2749/text>.

¹¹⁹ *Silk Road Strategy Act*, <http://www.govtrack.us/congress/bills/109/s2749/text>.

interventions, sometimes made in a region, seem to have created inhuman situations on the contrary.

For example, the SRS is against Moscow and to prevent the former Soviet republics from forming political and military co-operation ties with China, Russia and Iran in the new world order.¹²⁰ In this respect, the formation of the GUAM¹²¹, which was established in 1997, is aimed at integrating the former Soviet republics into the military cooperation agreements with the US and NATO. In this way, these countries would be blocked again in creating ties with the Russian Federation. Thus, it seems that the new world order theory developed in this way, in practice, is more under the SRS Declaration of 1999 than it is concerned with the South Caucasus and Turkistan countries. Nevertheless, it can be said that the SRS theory has raised some of the above countries' standard of living after Soviet. Whatever the case, we think that it is inevitable for global strategies to produce policies that fulfill their very valuable functions.

The United States did not primarily deal with the Turkestan region in the first years following the collapse of the Soviet Union, while producing very good political instruments with the SRS after 1999. It was seen that during the 1990s, the Gulf wars that emerged with the invasion of Kuwait of Iraq and the events of Bosnia and Kosovo would lead to lethal consequences. While Washington was busy with these

¹²⁰ M. Chossudovsky, *America's War on Terrorism*, Global Research, Quebec 2005, p. 69.

¹²¹ GUAM was born as a regional alliance by Georgia, Ukraine, Azerbaijan and Moldova, and became a GUUAM with the participation of Uzbekistan (Uzbekistan) in the NATO summit in Washington in April 1999. Activation of TRACECA is one of its main objectives. See. B. Çörten, *Current Geopolitics of Black Sea*, Ankara University Printing House, Ankara 2009, p. 26

developments, the restructuring of NATO come to agenda again and Turkestan region fell to second place in terms of importance. However, Russia's efforts to increase its effectiveness with the "Near Neighborhood Doctrine" announced in 1993 made the geopolitics of the Caucasus and Turkistan a priority. The European Union's development of TRACECA¹²² and INOGATE¹²³ projects, As China began to become active in the region, factors such as the growing interest of US-based oil companies in the region gradually increased the US interest in the region from the mid-1990s.¹²⁴

In the Middle East, where USA has a great interest in Middle Eastern energy resources it has faced really serious and significant difficulties. By contrast, from the middle of the 1990s, the US has surprisingly turned towards interests in the Caucasus and Turkestan. The 1998 National Security Strategy is a document that emphasizes this issue: "A stable and affluent Caucasus and Central Asia will contribute to stability and security in a large region extending from the Mediterranean to China. and the Caucasus gas and oil reserves to be transferred to world markets with the enormous commercial participation of the United States. Countries in this region have reforms that must be carried out in a democratic and economic context. All of this is important for American interests. We provide billions of dollars to the region to reach these targets."¹²⁵

¹²² For further information see Transport Corridor Europe (Caucasus-Asia, TRACECA). E. Tutar, F. Tutar, M. V. Eren, *A New Opening in the International Transportation Corridor: TRACECA Project and Turkey*, "Journal of Legislation", Issue 139, www.mevzuatdergisi.com, July 2009

¹²³ Interstate Oil and Gas Transport to Europe (INOGate).

¹²⁴ Interstate Oil and Gas Transport to Europe (INOGate).

¹²⁵ The White House, National Security Strategy for a New Century, Washington, October 1998, p. 39-41

Theses about the filling of the gap that the Soviets caused in the Turkestan region were put forward by the USA. Those who advocate these views wanted Turkey to be effective in these areas. It is true that Turkey, which is at the center of energy corridors, is one of the indispensable elements of geopolitical and geo-economic choice. But there were no giant examples of practical projects as Turkey had predicted by the USA. Since the 1990s, there has been no project equivalent to the US national security strategy document and the Silk Road Strategy. For this reason, the essence of the US Eurasian policy¹²⁶ is checking energy corridors and US is seen as a distraction policy to Turkey. Since the breakup of the Soviet Union, Turkey has made some extent from its hand, but did not confine itself to adapt to the current situation rather than develop alternative strategies to increase the activity in the Caucasus and Turkestan countries.¹²⁷ As it can be understood from this sentence, Turkey has been pioneering the realization of the East-West Energy Corridor, which aims to transport the large Caspian Basin hydrocarbon resources directly to Western markets and presented as the Silk Road of the 21st Century.¹²⁸ Despite everything, it can not be said that the US strategy can achieve the above-mentioned goals.¹²⁹

¹²⁶ A. Ergin, *Yeni Ipek yolu strategileri ve Transavasya güvenlik sistemi*, Tarih ve gelecek dergisi cilt :2 sayi:3 <http://dergipark.gov.tr/download/article-file/263549> p. 17-20

¹²⁷ I. Kalaycı, *Maritime Trade and Global Financial Crisis: New Strategies for Turkey in the Silk Road*, Eurasia Survey Silk Road Special Issue, Hangar Marka İletişim Reklam Hizmetleri Publishing Ltd. Şti., Ankara 2014/1, p. 87-122

¹²⁸ On 16 June 2006, Kazakhstan officially participated in the Baku Tbilisi Ceyhan oil pipeline project. See. T. C. Ministry of Foreign Affairs, January 2009, p. 2.

¹²⁹ In this process, for example, Kyrgyzstan formed an alliance with Moscow. In 2005, Uzbekistan leader Kerimov banned the activities of

Conclusion

In this study, Modern Silk Road strategies were examined within the framework of Trans-Eurasian security systems. Under this subheading of working for this purpose The United States, the EU and China have been dealing with the new Silk Road strategies. Thinking about the unidirectional shape of the 21st Century within the time frame since the 1990s, producing strategies for the New World Order has become absolutely necessary for the countries. On the one hand, as the Soviet World collapses, the countries in the vast geographies of the independent and historical Silk Road are as evident as they face the most severe economic, political and social problems in keeping up with the New World Order and finding themselves in a desperate situation. In this process, even when Russia and China are shaken, it turns out that the New Silk Road is needed more than ever to ensure the economic integration of the countries with the west. In this context, transit corridors should be improved with infrastructure investments. Railway investment should be made to the countries of the region, especially Afghanistan. Logistics centers need to be built in the corridor of Silk Road. In order to develop transport networks in the Central Asian region, a holistic constructive perspective is needed of all relevant

the SOROS Foundation in his country. Upon this development, the US announced that it stopped the economic aid that Uzbekistan had done every year. Uzbekistan went to military and economic co-operation with the Russian Federation against the behavior of the United States (Kodaman-Birsel, 2006, 433). As a result of these developments, the Eurasian Economic Union, established in May 2014, is a member of Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan by 2015. The Union foresaw free movement of goods, services and capital in a 170 million- Turkic-Weekly-8-Turkish, p. 3, [accessed: 16.08.2015]

countries. Turkey can play a leading role in bringing the relevant Central Asian countries together. With the development of the Silk Road economies, it will appear that the problem of underdevelopment and poverty in the world economy will be reduced and this will help to overcome economic poverty in the backward regions of the world.

The new Silk Road Project is very closely related to China. However, China's growing economic power is creating security concern in the countries on the belt. That is why they must doubt the fact that many of the countries that lived under the economic pressure of China in the historical past have repeated it. It is still being debated whether Russia, which was originally unrecognized in the project, would last until the end of its alliance with China. The way the US views the administrations on the Silk Road will be determined by certain parameters. Among these variables are the attitude of Russia in the region, the future of the Sino-Russian strategic alliance, and the level of integration of the Shanghai Cooperation Organization. One of the important transit centers of the historical Silk Road was Turkey. Turkey has the necessary infrastructure and conditions to cooperate with China. The railway line starting from China and reaching to Europe through Turkey is a very preferable project.¹³⁰

¹³⁰ A. Ergin, *Yeni Ipek yolu strategileri ve Transavasya güvenlik sistemi*, Tarih ve gelecek dergisi cilt :2 sayi:3 <http://dergipark.gov.tr/download/article-file/263549> pp. 22-3

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China's military potential – evolution, trends and challenges

Abstract

The paper seeks to determine how China's armed forces try to create a favorable strategic posture with more emphasis on the employment of military forces and means, and provide a solid security guarantee for the country's peaceful development, in response to the new requirement of safeguarding national security and development interests. Potential, evolution, and trends of basic Services: Army; Air Force; Navy and the most crucial aspects of nuclear potential has been presented. Problems related to the cyber space domain, as the new era of information warfare are discussed by the view of building unique capabilities. PRC openly identifying information assets as a key to winning contemporary wars. Particularly, the People's Liberation Army (PLA), aiming at building modern forces and winning an informationalized war, deepens its reform, dedicates itself to innovation, improves its quality and actively pushes forward the revolution in military affairs.

Chinese strategy, operational art and doctrine reflect the desire and need for a holistic approach to national security, utilizing the entirety of national resources. Multidimensional coordination, a PLA principle of warfare, illustrates this holistic approach by stressing that military and nonmilitary entities should work in concert towards common objectives. Multidimensional coordination occurs at and between all levels of war, includes strategic resources and instruments of power and efforts to shape the environment. The paper underlines also shift from joint operations

to integrated joint operations. Chinese military experts perceive it as the basic approach in order to meet the requirements of confrontation between war systems in modern warfare. Integrated joint operations are designed to bring the operational strengths of different Services and arms into full play, combine offensive operations with defensive ones, and give priority to the flexible application of strategies and tactics.

Keywords: Chinese military, potential, strategy, operations, tactics.

Foreword

The current structure of the Chinese Armed Forces really needs reforms because it does not allow for full control over the actions of the military authorities. In order to fully understand overall context of changes, trend and challenges, status of Command and Control of the Chinese Armed Forces is needed to be analyze. In 2015 the new body of command and strategic direction has been introduced – the Central Military Commission. The Central Military Commission currently operates through four central departments: Joint Staff, Logistic Directorate, Political Directorate and Arms and Development Directorate.

Artillery, Air Force and Navy are subject to these bodies, but as separate organizations. It should be remembered that the army is not subordinate government, but under the party authorities (CCP). Current Situation of the Armed Forces of the PRC:

- Outdated structure of command.
- Lack of sufficient experience in corps of officers in conducting Joint Operations.
- The shortage of qualified and experienced staff members and outdated C2 system.
- Low level of realism in conducted exercises.
- Land Forces domination, Air and Naval Forces as a secondary role.
- Low wages.
- Outdated logistics.
- Limited Air Lift capabilities and special purpose machines in the Air Force.
- Limited air defense and anti submarine capabilities.
- Corruption in the army.

China's military leadership

The PLA is the armed instrument of the CCP and organizationally is part of the Party apparatus. Officer careers are depended on CCP members. Major decisions at all levels are made by CCP committees, which are led by the political officers and military commanders.

China's military leaders are influential in defense and foreign policy due to the Central Military Commission's (CMC) special bureaucratic status and the PLA's near-monopoly on military expertise. The military's highest decision-making body, the CMC, is technically a department of the CCP Central Committee, but is staffed almost exclusively by military officers. The CMC Chairman is a civilian, usually serving concurrently as the General Secretary of the CCP and President of China. Prior to the reorganization of the PLA high command announced in January 2016, the ex officio membership of the CMC included several vice chairmen, the minister of national defense a position functionally unlike the U.S. Secretary of Defense the three service commanders, and the directors of the four general headquarters departments. The officers who held those positions prior to the January 2016 announcement still serve on the CMC, but the CMC's composition may change as a result of the PLA's ongoing structural reforms.

Members of the CCP Central Military Commission

Chairman Xi Jinping's appointed as Party General Secretary and CMC Chairman in 2012, and his selection as a President in the spring of 2013, was the first simultaneous transfer of all three of China's top positions to an incoming leader in recent decades. Prior to becoming CMC Chairman, Xi served as

the CMC's only civilian Vice Chairman. Xi's father was an important military person during China's communist revolution and was a Politburo member in the 1980s. The younger Xi served as secretary to a defense minister early in his career and would have had opportunities to interact with the PLA as a provincial Party official. In meetings with U.S. officials, Xi has emphasized improving military-to-military relations between China and the United States.

Vice Chairman Fan Changlong in 2012 became China's top officer. He formerly commanded the Jinan Military Region (MR), a test bed for new operational concepts and technology that has been at the forefront of the PLA's joint training efforts in recent years. Fan was the longest serving of China's seven MR commanders at the time of his appointment, but unlike previous CMC vice chairmen, Fan had never previously served on the CMC. He also spent 35 years in the Shenyang MR, adjacent to North Korea and Russia.

Vice Chairman Xu Qiliang - the first career as an air force officer promoted to CMC Vice Chairman - previously served on the CMC as PLAAF commander where he oversaw rapid force modernization and expanded the air force's foreign engagement. He vocally advocated for increasing the PLAAF's role within the larger PLA, including arguing in 2009 that the PLAAF should lead the development of offensive space capabilities. Xu may have crossed paths with Xi Jinping earlier in their careers when both men served in Fujian Province. Xu was the first PLAAF officer to serve as deputy chief of the General Staff Department (GSD) since the Cultural Revolution period, and at 54 years of age the youngest in PLA history.

Minister of National Defense Chang Wanquan was appointed at the National People's Congress in March 2013. The Minister of National Defense is the PLA's third most senior officer

and manages its relationship with state bureaucracies and foreign militaries. Chang previously oversaw the PLA's weapons development and space portfolio as head of the General Armament Department. He played a role in China's border skirmishes with Vietnam and has held top posts across three military regions.

Joint Staff Department Chief Fang Fenghui oversees PLA operations, training, and intelligence, responsibilities that are similar to those of his role as head of the former General Staff Department (GSD). In his previous position as Beijing MR commander, he was "commander-in-chief" of China's 60th anniversary military parade in 2009 and oversaw security for the 2008 Beijing Olympic Games. Fang is the first former Beijing MR commander to move directly to Chief of the GSD. He was the PLA's youngest military region commander when he was promoted to lead the Beijing MR in 2007.

Political Work Department Director Zhang Yang oversees the PLA's political work including propaganda, discipline, and education missions inherited from the former General Political Department. Unusually for a CMC member, Zhang spent his entire career in a single MR, the Guangzhou MR bordering Vietnam and the South China Sea, where he ultimately became the MR's Political Commissar at a relatively young age. Zhang also participated in China's border conflict with Vietnam and supported disaster relief efforts following a January 2008 snowstorm in southern China.

Logistics Support Department Director Zhao Keshi, previously as a head of the former General Logistics Department between 2012 and 2015, was responsible for overseeing PLA support functions including supply, transportation, military finances, facilities management, and infrastructure construction. Before his appointment to the CMC in 2012, Zhao spent

his entire career in Nanjing MR responsible for a Taiwan contingency and most recently served as its commander. He was also reportedly an exercise commander in the large military drills that induced the 1996 Taiwan Strait Crisis. Zhao has written on defense mobilization and reserve unit construction.

Equipment Development Department Director Zhang Youxia's previous position as Director of the former General Armaments Department gave him oversight of the military's weapons development and space programs. He gained rare experience as a combat commander during China's brief war with Vietnam in 1979. Zhang formerly commanded the Shenyang MR, which shares a border with North Korea and Russia. Zhang is one of China's military "princelings." His father, a well-known military person in China, served with Xi Jinping's father at the close of China's Civil War in 1949.

PLA Navy Commander Wu Shengli has served as head of the PLAN since 2006 and on the CMC since 2007. Under Wu, the PLAN has increased its out-of-area exercises, multinational patrols, and foreign naval exchanges, and initiated its first deployment to the Gulf of Aden. The first career PLAN officer to serve as a Deputy Chief of the General Staff, Wu also held leadership positions in two of the PLAN's three fleets, spending most of his career in the East Sea Fleet.

PLA Air Force Commander Ma Xiaotian previously oversaw the PLA's foreign military engagement activities as a Deputy Chief of the General Staff. Ma led the PLA side in key military-to-military exchanges with the United States, including the Defense Consultative Talks and the Strategic Security Dialogue component of the U.S.-China Strategic and Economic Dialogue. Ma has significant experience as a pilot and as a staff officer in multiple military regions.

Command structure of Chinese Armed - 2020 r.

The reform of the command system will consist in the fact that all types of forces (land, air and sea) will be directly subordinate to the Central Military Commission (CMC). The People's Armed Police, militia and reserve forces are also subject to it - that is, all the state power organs. Combined Armed Forces Command will be established, including Naval, Air and Land Forces (previously commanded by the General Staff). This solution aims to simplify (shorten) the chain of command by the Central Military Commission, under the Central Committee of the Communist Party of China's Political Bureau. The president of the CMC is the president of the state - Xi Jinping.

The introduction of command at state and regional level will provide a centralized command structure to replace the existing seven regional headquarters. In their place five strategic zones will be created, corresponding to the operational directions. The new command structure will be four-chambered: CMC - Combined Armed Forces Command - Armed Police - Reserve Units. In addition, a new Disciplinary Inspection Commission will be set up at CMC (similar institutions will also be created at the lower levels of command). At the CMC will also be created Audit Office and Political Policy Committee. Unchanged structure will maintain military justice (independent courts and prosecutors).

The reform seeks to enable commanding combined operations. The logistics will be excluded from the system for which a separate management model will be developed. Automation of command systems and computerization are also more important. It also assumes higher military capabilities - by increasing the full-time maritime and air forces and strengthening special units, marines, airmen, cybernetic defense and

strategic components (2nd Corps of Artillery). It is assumed that the changes will strengthen the position of defense minister. Subordinated to it will be the logistics and armaments department. In addition, the minister will be subject to the military education system and military research institutions.

Theaters of Interest

Chengdu West Command, the largest territory, includes three autonomous regions, including Tibet and Sinciang-Ujgur, whose natives show no satisfaction with being Chinese citizens. The command also responsible for the border of India, which political relations are under suspicion. The cause is unregulated border dispute and close political-military relations between Beijing and the old rival of India - Pakistan. The headquarters will be one-third of ground troops, but at the same time as the only one with no access to the sea, and thus Naval. Cities separated - Chongqing - Provinces - Gansu, Qinghai, Shaanxi, Sichuan. Autonomous Regions - Ningxia Hui, Sinciang-Ujgur, Tibet

Kanton Southern Command includes borders with the countries of Southeast Asia and the South China Sea. Beijing is struggling here, among others with Vietnam and the Philippines about islands in the South China Sea. Provinces: Guangdong, Hainan, Hunan, Yunnan, Guizhou. Special administrative regions: Hong Kong, Macau.

Nankin East Command will oversee areas among others, the East China Sea islands for which China is arguing with Japan. What is more, the border between the two basins lies in Taiwan, treated by the Chinese communists as a rebellious province. Cities separated - Shanghai Provinces - Anhui, Fujian, Jiangsu, Jiangxi, Zhejiang

The Northern Command has in its area of responsibility borders with North Korea and Russia and Mongolia where there are no conflicts at present.

The Central Command includes the capital of Beijing, the waters of the East China Sea and Yellow, and several inner provinces of Hebei, Henan, Hubei, Shanxi, Shantung and Tianjin.

Land Forces

The new land force will be responsible for the management of five military zones that will replace the seven existing military regions.

Commentators point to the high dynamics of the modernization processes of the PRC forces. This also applies to Land Forces, where saturation is increased not only with increasingly advanced combat vehicles, but also with digital command systems.

Maritime Forces

The changes in the command system of the Chinese Armed Forces also concern the upgrading of the Navy and Aviation as a sign of equal treatment of these types of forces with land forces.

Tasks of the Maritime Forces of the PRC:

- Detection, combat of submarines.
- Providing strategic security to submarine striking groups and naval forces, ports, coastal infrastructure, and land forces in the coastal strip against hostile air strikes.
- Provide fire and logistical support for combat forces in coastal areas (especially for maritime missions)
- Setting and closing minefields.

Air Force

Air force deployed in five strategic zones, and their main task is to maintain an adequate level of control and, if necessary, to defend the airspace of the country. They function within the National Defense System.

Air Force from the beginning of their existence were equipped with Soviet machines and later their copies produced in China, now counting more than 2,000 aircraft.

Basic equipment of the air force is:

- J-10A – multi-purpose fighter.
- Su-27UBK.
- KJ-2000 – early warning aircraft.
- J-8II – fighter interceptor.
- JH-7A – assault fighter.
- Z-9 - multi-tasking helicopter.
- Z-8KH - heavy transport helicopter.

Developments in nuclear deterrence

China continues to modernize its nuclear forces across the PLA. In 2015, China maintained nuclear-capable delivery systems in its missile forces and navy, giving it a dispersed and more-survivable capability:

- The PLA Rocket Force's (PLARF) arsenal contains 75-100 ICBMs. The PLARF is modernizing these airframes, including through the development of a new road-mobile ICBM capable of carrying multiple independent reentry vehicles (MIRVs). China has also tested a hypersonic glide vehicle, although official statements make no reference to its intended mission or potential capability to carry a nuclear warhead.

- The PLAN continues to produce the JIN-class SSBM, with four commissioned and at least one under construction. The JIN class and its SLBMs will give China its first reliable long-range, sea-based nuclear capability.

In 2015, China also continued to develop long-range bombers, including some Chinese military analysts have described as “capable of performing strategic deterrence” a mission reportedly assigned to the PLA Air Force in 2012. There have also been Chinese publications indicating China intends to build a long-range “strategic” stealth bomber. These media reports and Chinese writings suggest China might eventually develop a nuclear bomber capability. If it does, China would develop a “triad” of nuclear delivery systems dispersed across land, sea, and air a posture considered since the Cold War to improve survivability and strategic deterrence.

Missile Forces of the PRC

Rocket forces are the fourth type of armed forces whose main task is the role of deterrence. They consist of six armies.

Currently China has been working intensively on modernizing its strategic forces. The new generation of mobile missiles, the MARV system and the MIRV battlefields, and the network of underground tunnels are designed to ensure the viability of China’s strategic deterrence against the main actors of the nuclear club. China’s modernization of nuclear forces is primarily due to the global development of military technology, including the introduction of new types of nuclear warheads and missile defense systems. It must be borne in mind that China is still technically lagging behind other states, so the modernization of its own armed forces, including

the nuclear arsenal, is a natural act both in terms of security and interests of Beijing. Since the first nuclear test, China has adopted the no-first-use principle, and has increasingly become involved in programs aimed at reducing the proliferation of nuclear weapons in recent years. At the same time, they are developing a program to build a new generation of Jin ships and JL-2 ballistic missiles to effectively balance the American military presence in the Pacific.

Precision Strike

Short-Range Ballistic Missiles (SRBMs) (less than 1,000 km). The PLA Rocket Force, formerly called the PLASAF, had approximately 1,200 SRBMs at the end of 2015. The force fields advanced variants with improved ranges and accuracy in addition to more sophisticated payloads, while gradually replacing earlier generations that do not possess true precision strike capability.

Medium-Range Ballistic Missiles (MRBMs) (1,000-3,000 km). The PLA is fielding conventional MRBMs to increase the range at which it can conduct precision strikes against land targets and naval ships operating far from China's shores out to the first island chain.

Intermediate-Range Ballistic Missiles (IRBMs) (3,000-5,500 km). The PLA is developing a nuclear and conventional road-mobile IRBM, which increases its capability for near-precision strike out to the "second island chain." The PLAN also is improving its over-the-horizon (OTH) targeting capability with sky wave and surface wave over the horizon (OTH) radars, which can be used in conjunction with reconnaissance satellites to locate targets at great distances from China, thereby supporting long-range precision strikes, including employment of ASBMs.

Land-Attack Cruise Missiles (LACMs). The PLA continues to field air- and ground-launched LACMs for standoff precision strikes. Air-launched cruise missiles include the YJ-63, KD-88, and the CJ-20 (the air-launched version of the CJ-10 ground-launched cruise missile still fielded in the PLASAF). China recently adapted the KD-88 LACM, with an advertised range of more than 100 km, and may be testing a longer-range version. China also is developing the CM-802AKG LACM, an export system that can strike both land and ship targets from fighters or bombers.

Ground Attack Munitions. The PLAAF has a small number of tactical air-to-surface unguided munitions (ASUGM) as well as precision-guided munitions including all-weather, gps-guided bombs, anti-radiation missiles, and laser-guided bombs. China is developing smaller-sized munitions such as the AR-1, HJ-10 anti-tank, Blue Arrow 7 laser-guided, and KD-2 missiles in conjunction with its increasing development of UAVs. Additionally, China is also adapting to UAVs GPS-guided munitions such as the FT-5 and LS-6 that are similar to the U.S. Joint Direct Attack Munitions (JDAM).

Anti-Ship Cruise Missiles (ASCMs). The PLAN is deploying a wide range of advanced ASCMs. The most capable include the domestically produced ship-launched YJ-62 ASCM and the Russian SS-N-22/SUNBURN supersonic ASCM, which is fitted on China's SOVREMENNY-class DDGs acquired from Russia. China's submarine force is also increasing its ASCM capability, with the long-range YJ-18 ASCM replacing the older YJ-82 on the SONG, YUAN, and SHANG classes. The YJ-18 is similar to the Russian SS-N-27B/SIZZLER ASCM, which is capable of supersonic terminal sprint and is fielded on eight of China's 12 Russian-built KILO SS. In addition, PLAN Aviation employs the 200 km range YJ-83K ASCM on its JH-7

and H-6G aircraft. China has also developed the YJ-12 ASCM for the PLAN. The new missile provides an increased threat to naval assets, due to its long range and supersonic speeds. It is capable of being launched from H-6 bombers.

Anti-Radiation Weapons. China is starting to integrate an indigenous version of the Russian Kh-31P (AS-17), known as the YJ-91, into its fighter-bomber force. The PLA imported Israeli-made HARPY UAVs and Russian-made anti-radiation missiles during the 1990s.

Artillery Based PGMs. The PLA is developing and deploying artillery systems with the range to strike targets within or even across the Taiwan Strait, including the PHL-03 300 mm multiple-rocket launcher (MRL) (greater than 100 km range) and the longer-range AR-3 dual-caliber MRL (out to 220 km range).

Strategic Support Forces – January 2016

The Strategic Support Forces will be responsible for:

- tracking objects,
- jamming and destroying satellites,
- operating in cyberspace,
- protecting the financial system from attack,
- jamming and disarming radar equipment.

Role of Electronic Warfare in a Future Conflicts

The PLA identifies electronic warfare (EW) as a way to reduce or eliminate U.S. technological advantages, and considers it an integral component of warfare. The PLA's EW doctrine emphasizes using electromagnetic spectrum weapons to suppress or to deceive enemy electronic equipment.

The PLA's strategy focuses on radio, radar, optical, infrared, and microwave frequencies, in addition to adversarial computer and information systems.

China's strategy stresses that EW is a vital fourth dimension to combat, and should be considered equal to traditional ground, sea, and air forces. Effective EW is seen as a decisive aid during military operations and consequently the key to determining the outcome of war. The PLA sees EW as an important force multiplier, and would likely employ it in support of all combat arms and services during a conflict.

The PLA's EW units have conducted jamming and anti-jamming operations, testing the military's understanding of EW weapons, equipment, and performance. This helped improve the military's confidence in conducting force-on-force, real-equipment confrontation operations in simulated EW environments. Advances in research and deployment of EW weapons are being tested in these exercises and have proven effective. These EW weapons include jamming equipment against multiple communication and radar systems and GPS satellite systems. EW systems are also being deployed with other sea- and air-based platforms intended for both offensive and defensive operations.

Development directions of the Armed Forces

1. Ensuring internal security and stabilizing the country.
2. Works on command support system in combined air, maritime and land operations.
3. Streamlining communication, computing and cyber war.
4. Preparation for possible conflicts with Japan, Vietnam, Taiwan, the Philippines or South Korea.

5. Defending China's interests in the East and South China seas.

PLA Power Projection Expanding Outward

PLA modernization and development trends over the last decade reflect an expansion in the PLA's capabilities to address regional and global security objectives. PLA ground, air, naval, and missile forces are increasingly able to project power during peacetime and to contest U.S. military superiority in the event of a regional conflict. The PLA's growing ability to project power also augments China's globally-oriented objectives to be viewed as a stakeholder in ensuring stability and a regional power.

The PLA will maintain a primary emphasis on developing capabilities for a potential Taiwan contingency but is steadily expanding the force's operational flexibility to be able to meet regionally and globally focused missions. The PLA's missile and air forces remain a critical component in extending China's defensive perimeter. This frees up and enables other military assets to focus on conducting offensive missions, such as blockades, sovereignty enforcement, and/or A2/AD, farther from China's shores. China also is focused on enhancing the PLA's ISR capabilities, which will enable improved targeting and timely responses to perceived threats.

The expansion of naval operations beyond China's immediate region will facilitate non-war uses of military force and provide China with a diverse set of capabilities for striking targets across the Pacific and Indian Ocean regions. Improving "blue water" capabilities will extend China's maritime security buffer to protect China's near and far seas interests more effectively.

China's modern naval platforms include advanced missile and technological capabilities that will strengthen the force's core warfighting competencies and enable credible combat operations beyond the reaches of land-based defenses. Moreover, China's current aircraft carrier and planned follow-on carriers will extend air defense umbrellas beyond the range of coastal systems and help enable task group operations in "far seas." Sea-based land attack probably is an emerging requirement for the PLAN. Chinese military experts argue that in order to pursue a defensive strategy in far seas, the Navy must improve its ability to control land from the sea through long-range LACM development.

Military budget

The military budget of the PRC does not include expenditure on Strategic Forces, Special Services, Cyber Security, foreign missions, research and development of weapons systems and Chinese Paramilitary Forces (People's Militia). The official military budget of the PRC does not take into account the revenues generated by military-owned commercial enterprises that significantly influence its shape. This causes that, in fact, defense spending is higher than the data presented.

The dynamics of the double-digit increase in military spending started in 2011. Has been steadily decelerated (in 2016 the increase was 7.6% compared to the previous year, 7.6%; 2015-10.1%; 2014-12.2%, 2013-10.7%; 2012-11.6%; 2011-11.2%).

Strategy, Operational Art and Tactics trends and development

China's national strategic goal is to complete the building of a moderately prosperous society in all respects by 2021

when the CPC celebrates its centenary; and the building of a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious by 2049 when the People's Republic of China (PRC) marks its centenary.¹

China's armed forces take their goal making the military strong as part of the Chinese Dream. Without a strong military, a country can be neither safe nor strong. In the new historical period, aiming at the CPC's goal of building a strong military in the new situation, China's armed forces will unswervingly adhere to the principle of the CPC's absolute leadership, uphold combat effectiveness as the sole and fundamental standard, carry on their glorious traditions, and work to build themselves into a people's military that follows the CPC's commands, can fight and win, and boasts a fine style of work.²

China's armed forces mainly shoulder the following strategic tasks³:

- To deal with a wide range of emergencies and military threats, and effectively safeguard the sovereignty and security of China's territorial land, air and sea;
- To resolutely safeguard the unification of the motherland;
- To safeguard China's security and interests in new domains;
- To safeguard the security of China's overseas interests;
- To maintain strategic deterrence and carry out nuclear counterattack;

¹ *China's Military Strategy* Voltaire Network, Beijing (China), 26 May 2015 <http://www.voltairenet.org/article187730.html>, [accessed: 04.05.2017.]

² Ibidem.

³ Ibidem.

- To participate in regional and international security co-operation and maintain regional and world peace;
- To strengthen efforts in operations against infiltration, separatism and terrorism so as to maintain China's political security and social stability; and
- To perform such tasks as emergency rescue and disaster relief, rights and interests protection, guard duties, and support for national economic and social development.

As far as operational art and tactics are concerned, we are fully sharing point of view expressed by Major Matthew J.P. Castillo from United States Air Force, in his Monograph "Chinese operational art: understanding the present through the lens of the past".⁴ Author in his monograph:

"seeks to determine if China's military has a "uniquely Chinese" flavor of operational art when compared to the United States. The study asserts the importance of history, specifically relating to China's unique philosophical and military tradition, as a lens through which an increased understanding of modern People's Liberation Army (PLA) operational art is achieved. The philosophical ideas present in Confucianism and Taoism bring clarity to contemporary PLA doctrine and activities. The study examines Chinese philosophical and military tradition, national strategy, and PLA doctrine in comparison to Western philosophy and US Joint doctrine to reveal uniquely Chinese concepts. Case studies then analyze PLA participation in United Nations Peacekeeping, PLA Navy anti-piracy operations and cyber activities to characterize operational art in practice. The study concludes that a unique Chinese

⁴ M. J. P. Castillo, *United States Air Force, Chinese operational art: understanding the present through the lens of the past*, a Monograph by School of Advanced Military Studies United States Army Command and General Staff College Fort Leavenworth, Kansas 2013-01.

flavor of operational art does in fact exist, and demonstrates the continuing influence of China's philosophical and military tradition. Chinese operational art includes the creative combination of unconventional means (*ho*), the ability to alter relative positions between opposites (*yin* and *yang*), and the flexible application of forces within a situation (*wu wei*). These concepts underpin the asymmetric employment of task-organized combinations to bring about a position of advantage (*shi*). Contemporary and future PLA operations are likely to demonstrate a preference for an indirect approach, and include patience in decision-making and tempo as PLA leaders pursue a holistic understanding of the situation, self, and enemy, and as they allow the situation to develop into favorable conditions”.

Summary

The Jiang Zimin's (2002) guidelines issued for the People's Liberation Army to obtain rapid and decisive victory in “computerized combat operations” began the process of aggressive modernization of the Chinese Armed Forces. For this reason there is a new concept for local wars led by elite, joint troops that strike first and strive for rapid victory.

In our opinion, Chinese leaders realized that neutralization of essential forces of the enemy is no longer possible by simply increasing the number of troops, planes, tanks and artillery. They also regard that future operations will be fast and limited, led by highly skilled, professional military formations representing different, huge and unique capabilities.

Latest Operational Art and Tactic's analysis reflecting to detailed directions of development of PLA indicate shift in all discussed above services and formations and in Armed Forces as a whole: from mechanization to informatization; from

defense pattern of operations to active defense with more and more offensive aspects – meaning shift to offensive pattern of operations; from the war of damage (total destruction) to dynamic, quick, short-lasting and decisive wars (Figure 1.)

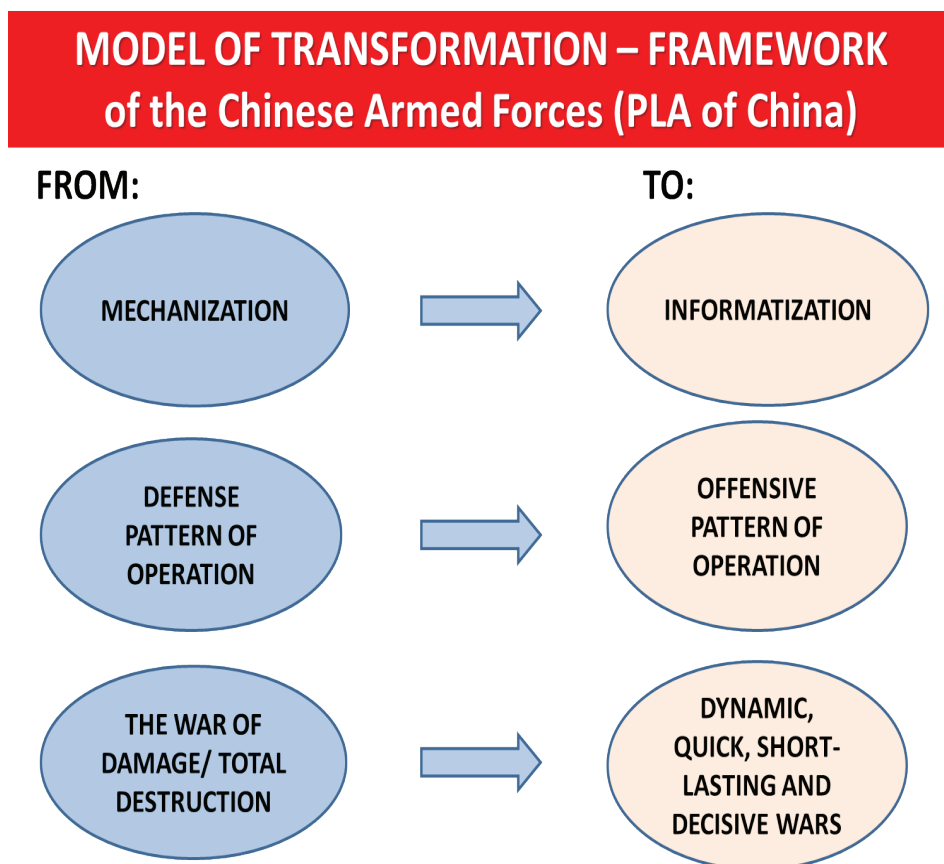


Figure 1. Transformation of the Chinese Armed Forces

Source: own arrangement.

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Feng Ping

Chinese migrations in Poland

Abstract

Traditionally Poland is a immigrant import country. Since Poland joined EU, Poland has attracted more and more immigrants from other countries. Chinese people started to come to Poland in the beginning of 90s. Recently, since the 21st century, more and more Chinese come to Poland. Currently, Chinese has become the largest number of people from Asian countries coming to Poland. Chinese people have a variety of occupations in Poland. The skilled, and high educated Chinese people have relatively high position in Poland, while there are also labor forces coming from China. This article will discuss the overview of Chinese people in Poland, occupations, and living conditions of Chinese in Poland, and some cases of Chinese people in Poland after the deep depth interview.

Keywords: Chinese migrations, Poland, integration, occupations, investment, immigration institutions

Introduction

In history, Poland was an immigrant exporting country. With the reform of the Polish market economic system and Poland's accession to the European Union, Poland began to attract immigrants from other countries. The first wave of Chinese immigration to Poland started in the 1990s, and the number of Chinese in Poland gradually increased. It has become the largest importer of Asian immigrants in Poland. With the implementation of the Belt and Road Initiative, more and more Chinese have come to Poland to seek investment opportunities. In the early days, Chinese people in Poland were mainly engaged in wholesale trade and service industries. Now Polish Chinese are engaged in various fields of culture, education, tourism and services in Poland. The early Chinese immigrants had a high cultural quality, and the Polish language was proficient and deeply integrated into the local cultural life. A new generation of Chinese immigrants has gradually increased, and they have worked hard and created their own wealth. The Chinese people in Poland actively responded to the One Belt One Road initiative and made more contributions to China-Poland economic and trade cooperation and cultural exchanges.

Methodology

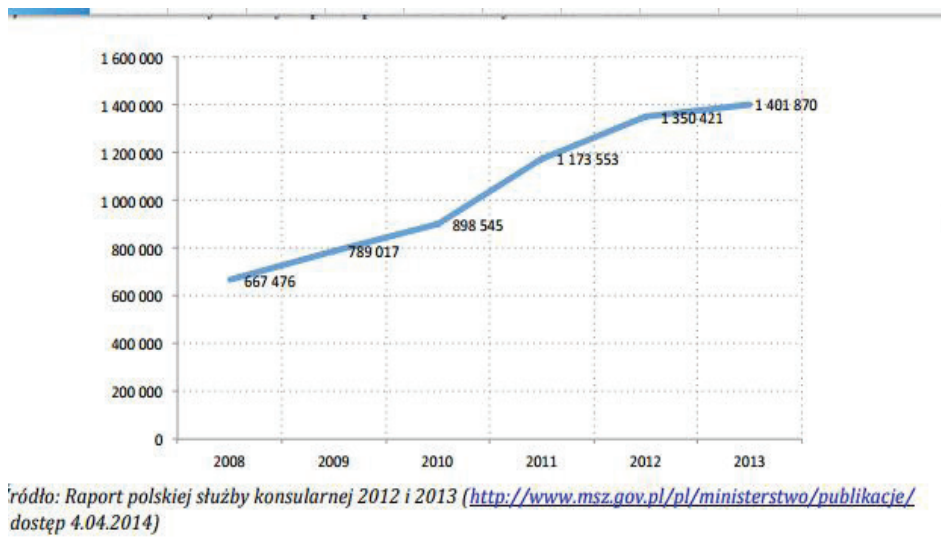
There aren't too many existing text about Chinese people in Poland so far. The existing text by K. Wysieńskiej, report of jak również N. Klorek and M. Szuleckiej, and thesis of Jonna Wardega is used as sources of this article. The analysis uses the data from Central Statistical Office, Office for Foreigners, Border Guard and Police in Poland. The thesis also has

a in depth interview with several Chinese people in Poland, their life story, their career, and their integration in Poland.

Overview of the Overseas Chinese Immigrants in Poland

Poland has always been an immigrant exporting country. In the 19th century, there was an immigration climax in Poland. After the transformation of Poland's political and economic system in the 1990s, Poland once again attracted immigrants from other countries. With Poland joining the European Union in 2004, many Poles have immigrated to other countries in the European Union. Most of them are young people. In recent years, residents of other countries have begun to emigrate to Poland, and Poland has become an importing and exporting country. However, the number of immigrants in Poland is still less than the number of immigrants in Poland. According to the Central Demographics of Poland, the number of people permanently registered in Poland and registered in Poland is very low. During the period 2001-2010, the number of permanent residents registered in Poland was 1.128 million, of which 72% came from the European Union. The number of people who apply for temporary residency status in Poland is also very low. According to the central demographics, there were 66,000 registered people in 2011. The main countries are Ukraine (18.2 thousand, 28%), Germany (8%), Belarus (7%).), Vietnam (5%), Russian Federation (4%) and China (2.8 million, 4%). 35% live in Mazury Province. (Pawel Kacmarzyk, 2015)

Visa data issued by Poland from 2008 to 2013

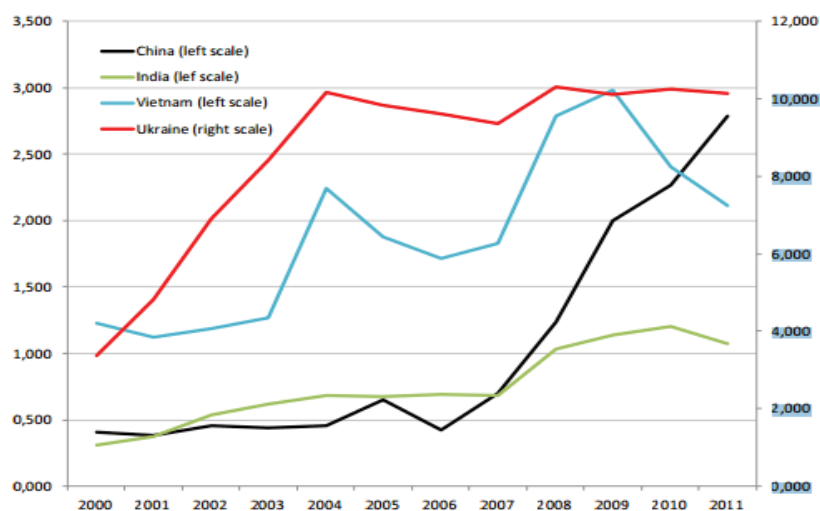


The number of Chinese in Poland has grown rapidly with Poland's accession to the European Union. With the reform of the Polish political system and the strategy of the Belt and Road Initiative, Poland has gradually become one of the destinations for Chinese immigrants. More and more Chinese are coming to Poland to seek investment opportunities. Since the reform and opening up in China, the development of Chinese people in Poland has mainly gone through four stages. The first stage was before 1991. This period was mainly for international students. The second stage was from 1992 to 1995. This period was mainly China. Large state-owned enterprises and Chinese-funded institutions have entered the Chinese market, and the number of Chinese is relatively small. The third stage is from 1995 to 2008. A large number of private enterprises began to enter Poland, with factories, and trade as the mainstay. The fourth stage is the outbreak of the European debt crisis since 2008. It has had an impact on Chinese trade. The economic and trade exchanges between Poland and China have begun to deepen. More and more

Chinese and Chinese companies have begun to enter the Polish market and come to Poland. The number of international students has gradually increased, and the market for Polish Chinese has gradually stabilized and matured. (WWW)

At the end of 1989, there were 617 Chinese in Poland, including 462 temporary residents and 155 permanent residents. This situation has not changed much in the past. In 1998, 133 Chinese allowed to purchase property in Poland, and 411 in the following year. 379 in 2000. In contrast, in 1998 only nine Chinese were allowed to live longer, 18 in 1999 and 28 in 2000. In 2000, Chinese immigrants in Poland accounted for 0.14% of China's immigrants to OECD countries and 0.64% of EU immigrants. After Poland joined the European Union, the number of Chinese people in Poland has gradually increased and the data has gradually increased. By the middle of 2016, there were 6,000 Chinese with legal residence in Poland, and the number of illegally staying in Poland is unknown. (Joanna Wardega, 2017)

Chinese people in Poland:



Sources: Pawel Kacmarzyk Recent Trends in International Migration in Poland The 2013 SOPEMI Report, 2015.

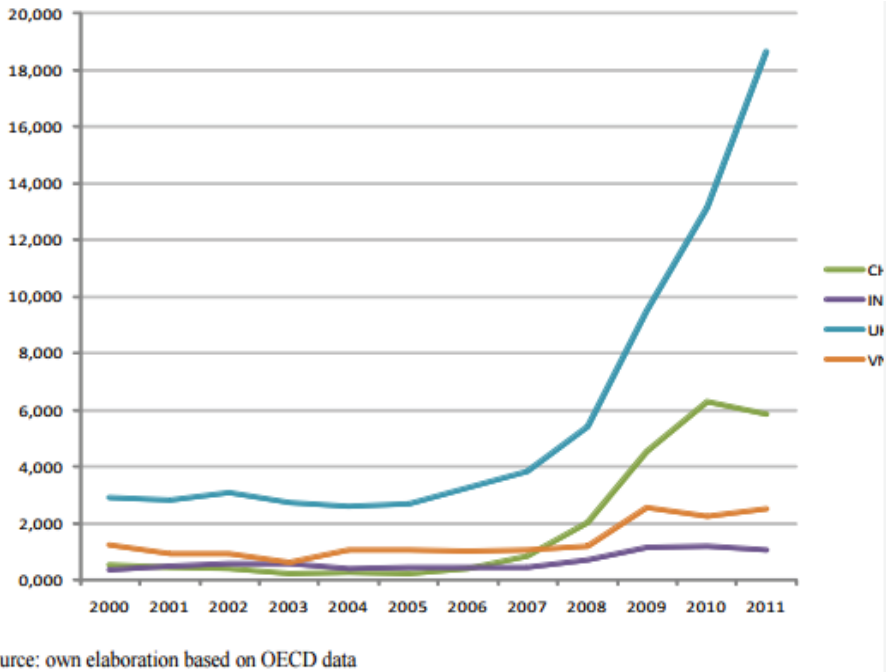
In recent years, the number of Chinese in Poland has gradually increased. According to OECD data, since 2006, China has gradually become the most important immigrant input country in Asia, surpassing Vietnam and India. The growth rate of Chinese is second to that of Ukraine. From January 2014 to July 2016, the Ukrainian population grew at a rate of 61% and the Chinese grew at a rate of 25%. According to the statistics of the Polish Chinese Foreigners Management Office, the number of foreigners in Poland has increased since 2014. Until 2016, the number of foreigners in Poland reached 125,000, and Ukrainians accounted for 30%. Among them, there are 6,000 Chinese. (Pawel Kacmarzyk, 2015)

International students in Poland are also a major source of growth for the Chinese people in Poland. In the 1950s, there were only 10 international students studying in China and Poland. In the 1970s, China-Poland exchange came to a stop. By 2005, China and Poland launched the “Study in Poland” program, and the number of Chinese students studying in Poland has gradually increased. As of 2016, there are 10,000 Chinese students studying in Poland. (www) Many international students stayed in Poland after graduation and became a new generation of Polish immigrants.

the occupation and living conditions of Polish Chinese

In recent years, the number of workers who have come to work in Poland has gradually increased. Ukrainians are the source of the main workers in Poland. Since 2007, the number of workers from China has also increased significantly, although the growth rate is smaller than that of Ukrainians. It surpassed Indians and Vietnamese in the past and became one of the main source of workers in Poland.

Figure 2: Sources of Polish foreign workers - selected immigrant countries



From 2009 to 2011, Chinese workers accounted for 15% to 17% of Polish foreign workers, compared with 1.5% to 3% in 2000. In 2011, China's workers flowing into Poland were twice as large as those in Vietnam, and this trend continued until 2013.

According to the Polish Ministry of Labour, Chinese workers are mainly engaged in construction (20%) and trade (40%), followed by industry and other sectors. Chinese workers are ahead of other countries in obtaining jobs with jobs. In 2011, Chinese workers received 900 (C-type) labor licenses, accounting for 44% of the total. (Pawel Kacmarzyk, 2015)

Form 1: Workers who obtained work permits from jobs in 2011, depending on the type of occupation.

Country of origin	Total	Managers, experts	Qualified workers	Unqualified workers	Other
<i>In thousands</i>					
Total	2136	280	532	687	637
China	932	41	51	685	155
India	129	19	3	0	107
Ukraine	454	43	316	1	94
Vietnam	17	0	17	0	0
<i>As per cent of the total (for a given country)</i>					
Total	100.00	13.11	24.91	32.16	29.82
China	100.00	4.40	5.47	73.50	16.63
India	100.00	14.73	2.33	0.00	82.95
Ukraine	100.00	9.47	69.60	0.22	20.70
Vietnam*	:	:	:	:	:

* not reported due to low number of observations.

Source: own elaboration based on Ministry of Labour and Social Affairs data.

As the largest country in Central and Eastern Europe, Poland has always attracted Chinese FDI. In recent years, China's investment in Poland has gradually increased, though Chinese investment in Poland is still rather low. Before Poland joined EU, Chinese investment in Poland is rather insignificant. More Chinese came to Poland since Poland joined the EU. China's investment in Poland has increased more than sixteen times to USD 288.1 million. (ETNC, 2017)

Chinese companies invest in Poland mainly through Green-field projects, acquisitions, and merges. There are about 700 Chinese-funded enterprises, most of which are private companies with less than nine people. As of 2016, the main Chinese state-owned enterprises in Poland are China Everbright international, Liu Gong Machinery, Haoneng Packaging, Shanxi Yuncheng Plate-making group, Sino Frontier Properties LTD,

Suzhou Victory Precision Manufacture Co, and TPV Technology LTD. (Agnieszka McCaleb and Agnes Szunomar, 2016)

Chinese investment in Poland is mainly in electronics, production of TV sets, and LCD monitors(TCL cooperation Victory Technology Polska, Chung Hong Electronics Poland, Digital View), electro-machinery (Nuctech), heavy machinery (LiuGong Machinery), ecology, such as municipal waste processing and alternative gas production (China Everbright intentional) , Publishing and printing (Haoneng Packaging), manufacturing of metals, and metal products (Shanxi Yuncheng Plate-making Group), hospitality and real estate (Min Hong Development Co., sino Frontier Properties LTD) m distribution of goods (GD Poland investment Sp Zoo) and IT(Hua Wei, ZTE) (Heiduk et al. 2012) China also established branch of Bank of China, China construction Bank and Industrial and Commercial Bank,etc.. China's investment is concentrated in some parts of Poland, where these areas have become the gathering place for Chinese Chinese immigrants. Some of the Chinese in Poland work in state-owned Chinese-funded enterprises. Most of them have residency status in Poland. Most of them are Chinese with high technology and higher education.

Chinese working in Polish individual and private enterprises are mainly engaged in trade, wholesale and other work. Goods imported from low-priced products from China are sold to Poland and other Central and Eastern European countries through GD Poland investment.

Since the Chinese who first came to Poland were international students, as well as large Chinese-funded enterprises and Chinese companies with state-owned enterprises entering the Polish market, they were highly educated, proficient in Polish. They understood the local laws and regulations

and were well integrated. In the local society of Poland, the income and status of the Chinese are very high compared to the Vietnamese. The first and second batch of Chinese immigrants coming to Poland were engaged in trade, service, education, catering and other occupations in Poland. After 1995, many Chinese in Poland were engaged in catering, trade and other industries. They have lower incomes and more people than the first and second waves of Chinese migrations in Poland. After 2008, many Chinese in Poland came from state-owned enterprises, looking for investment opportunities in Poland, and some immigrated to Poland from Italy, France and other EU countries to find investment opportunities in GD Poland Investment.

Mr. Huang, the owner of the largest Chinese hotel in Poland, is immigrating from Italy to Warsaw. The boss of the old black supermarket is also from Italy. They came to Warsaw in 2008. They used to work in fashion design and trade in Italy. However, due to the relatively unfriendly atmosphere of Italians and the impact of the 2008 financial crisis, they saw the opportunity of GD Investment Poland and came to Warsaw.

At present, the Chinese in Poland are mainly engaged in trade and service industries. In the past year, due to the fierce competition in the Polish market and the Polish government's taxation inspections in Poland, many Chinese work in Poland has turned to services, education and cultural industries. Start investing in cultural projects. More and more Chinese are opening Chinese schools in Poland, engaging in tourism, investing in cultural industries, and so on.

Polish Chinese are engaged in trading industry later than Vietnamese, but later surpassed Vietnamese in number and in trade.. GD investment Poland is Europe's largest commodity

city, a modern commodity logistics transit center, with more than 1,000 large trading companies, with a total investment of 150 million. EUR. Now GD investment Poland has 1600 retail stores in the countryside, radiating GD products to the countryside. GD Warsaw investment Poland imports goods from China and sells high-end products to Poland and other Central and Eastern European countries. At the same time, they are working to sell Polish products to China.

The Chinese in Poland mainly live in the Wolka Kosowska area, and the Chinese community is closely connected. China often receive delegations from China, who usually meet at the Xinglong Hotel in GD. Chinese immigrants in Poland often have higher education and higher cultural qualifications. They are well integrated into the local life, have higher social status. There are also workers from China who take part in labor works.. Their cultural quality is relatively low. They are engaged in physical work and will not speak Polish or English. They mainly concentrated in the Wolka Kosowska area of Warsaw. Warsaw's municipal government is worried about the integration of these Chinese into the local society, crime issues, education of their children, etc., Wolka Kosowska is regarded by the Warsaw government as a gathering of wealth, while It is also a grey area that breeds crime.

Other Chinese and Polish people are married and form a family, which is well integrated into the local society. There are more than 100 pairs of marriages in Warsaw, which promoted the friendship between the people of China and Poland.

Organization of Chinese Overseas Chinese Associations in Poland

According to the statistics of the Polish Immigration Bureau, there were about 6,000 Chinese in Poland in 2014. Such

Chinese groups are scattered in Poland. Most Chinese come to Poland for investment and trade. In Poland, the Embassy has a total of ten associations, the Polish Chinese Chamber of Commerce, the Polish Peaceful Reunification Promotion Association, the Chinese Association, the Women's Association, the Northern Chamber of Commerce, the Qingtian Association, the Ruian Association, the Chinese Charity Foundation, the Fujian Chamber of Commerce, and the Youth. meeting. The Polish Chinese Chamber of Commerce was established on January 9, 2018 and officially registered in the Polish court. It is an autonomous institution created by Chinese and Polish companies associated with China-Poland economic activities and representing the interests of its members. At present, there are 112 member companies in modern service industry, manufacturing, new energy, retail and commercial trade, medicine, education, real estate, high technology, internet, hotel catering, legal services, taxation services, finance and investment, etc. Industries and fields. The Polish Chinese Chamber of Commerce aims to liaise with the Chinese business elite in Poland, to provide services to chamber members and non-members in need, to promote economic cooperation and development between Poland and China and between the economic entities of China and Poland; Representing members of the Chamber of Commerce in the exchanges with state agencies, local self-government agencies, other state agencies, and international organizations to protect the interests of members of the Chamber of Commerce within the scope of their economic activities; promoting trade and cooperation between China and Poland and the Polish economic entities Chinese business activities and commercial activities of Chinese economic entities in Poland; to help the economic activities of the members of the Chamber by collecting

and disseminating information on the business activities of the members of the Chamber of Commerce. The organization of the Polish Chinese Chamber of Commerce is divided into the General Assembly, the Council, the Standing Council and the Supervisory Board. The Polish Chinese Chamber of Commerce accepts ordinary members and honorary members. Natural or legal persons who are engaged in business activities in Poland or China can join.

The Polish Chinese Association is a core group of Chinese in Poland. It was incorporated in the Polish court in 1998. The purpose of this association is to serve the Chinese people in Poland and improve the social status of the Chinese, promote mutual understanding between the Chinese and Polish people, and promote economic and trade between the two sides, Cultural exchanges and cooperation. Any Chinese who resides, works and studies in Poland, and have Chinese company registered in Poland, can apply for membership.

The Polish Women's Association is a very important association in Poland. It was established in 2011. Over the years, it has done a lot of work on the inside and outside. The Women's Federation unites compatriots, enhances understanding, helps the poor, supports the family, and has done various charities. The activities have enhanced the exchange of material, cultural and civilized people between the two countries and promoted the friendship between the people of Poland and China.

The Polish Qingtian Association is the largest association in Poland. It was established in 2009 and was registered in Wolka KOSOWSKA, Warsaw, Warsaw. Qingtian people in Lubo are an important part of Poland's immigration, and there are more than 200 investment businesses in Warsaw China Mall. It aims to promote cooperation in economic and trade exchanges between China and Poland.

In addition, Poland is also active in some business associations, the Bozhong Business Federation, the Bozhong Economic and Cultural Association, the Polish Chinese Tourism Association and so on.

Regarding the civil society in Poland and China, there is the Friendship Association of Poland. The Bozhong Friendship Association is a national civil society of the People's Republic of China. It is guided and supervised by the Chinese People's Association for Friendship with Foreign Countries and the Ministry of Civil Affairs. The purpose is to enhance the understanding and friendship between the Chinese people and the Polish people and promote mutual politics and economy. Exchanges and cooperation in trade, science and technology, society, culture, education, etc., and safeguard world peace. The business scope of the association includes: First. Develop friendly and cooperative relations with people from all walks of life in Poland. Enhance understanding and develop friendship by holding various exchange activities such as commemorative meetings, symposiums, and exchange of materials. Second, cooperate with relevant units to carry out economic, social, scientific and technological cooperation and talent exchanges with Poland, and promote friendly cooperation. Third, carry out exchanges with folk culture in Poland. Send and receive folk culture and art groups and literary and art circles to conduct friendly visits and hold performances and exhibitions.

With the increase in the number of Chinese, the Chinese have opened various Chinese schools in Poland, such as the Warsaw Chinese School, the Warsaw Chinese Language Institute, and the Warsaw Children's Great Wall Chinese School. The Chinese-language media in Poland has also entered a stage of rapid development, such as the Polish Chinese Consultation Network

and Poland's Magnificence. In 2014, Polish Chinese also opened their own local newspapers in Poland, such as the European Times Polish branch.

Case study

Case 1: Mr Yuan , a Chinese doctor in Warsaw

Poland was the first European country to reach Chinese medicine. The Polish missionary Bu Mige introduced the scientific and cultural achievements of ancient China and East Asia to the West. He not only translated the three important Chinese medicine works of "The Yellow Emperor's Canon", "Difficulties" and "Pulse" into Latin, but also wrote the first European book on Chinese herbal medicine "Flora Sinensis" (1659). Published in Vienna), and systematically introduces the "Medical Key" of Traditional Chinese Medicine (Medical Key, published in Nuremberg in 1686. Yuan Dafu, a Chinese doctor in Warsaw, worked in the First Affiliated Hospital of Jiangxi Hospital before coming to Poland. In 1994, he came to Poland to study abroad, graduated. After staying in Poland, Yuan Dafu and his friends started working together in private clinics. He specializes in traditional Chinese medicine and acupuncture. He is now a member of the World Chinese Medical Association. In addition to private Chinese medicine, acupuncture and massage clinics, Tongrentang in Warsaw .

Case 2: Mr. Li, the owner of the Warsaw Food Service

Many Polish Chinese have two or three companies, and they have several jobs. Mr. Li came to Poland with his mother in 1993, when he worked in a national company. After the company

was transformed into a private company, in 1998, Mr. Li was engaged in trade activities in the pavilion held at the National Stadium in Warsaw. The Warsaw National Stadium was the largest Polish trade center before the establishment of “GD Warsaw Chinatown”. Later, Mr. Li opened the Chinese Restaurant, which was also one of the few Chinese restaurants in Warsaw at the time, and was engaged in commodity trading activities. Many bosses engaged in catering services have multiple positions, and many companies, such as Chai Hongyun, the owner of Huadu Hotel, in addition to catering services, also engaged in tourism, education and other services.

Case 3: Mr Chen lawyer of GD Law office

GD law office is a law firm engaged in legal consulting services, company registration and visa services. Mr. Chen came to Poland to study sponsored by government funds in 1989. In 2005, he opened a law firm and translated legal works such as the Constitution of the Republic of Poland and the Polish Administrative Procedure Law into Chinese. GD law office now provides legal advice, investment, immigration and other services, as well as companies such as the Polish Tourism Company.

There is also the young and successful boss Mr Sun of the Central and Eastern European Railway Express. In 2011, he also opened the first clothing trading company in Poland. In 2013, he seized the strategy of the Belt and Road proposed by Xi Jinping, and opened up Eastern European Railway Express Company, engaged in logistics services.

Chinese people in Poland is involved in all fields of work in Poland. Some Polish Chinese also enter Polish universities to teach, such as the Chinese consultant of the China-Poland

Friendship Association in Warsaw, and the coach of Xu in Krakow, who is now the head coach of the Polish table tennis team and so on.

Case 4: Representative of Chinese student in Poland, a Chinese and English writer who wrote the story of Chinese people in Poland

Ms Feng was a student who came to Poland in 2014 to study international relations. She is currently a Ph.D. in international relations at Warsaw University. She is good at writing in both Chinese and English. She published three English novels in Poland. During her spare time, she interviewed the Chinese people in Poland and wrote their stories into the novel.

Conclusion

The number of Chinese people coming to Poland is growing in recent years. The development of Chinese people coming to Poland has experienced four stages. The first stage was before 1991. This period was mainly for international students. The second stage was from 1992 to 1995. This period was mainly China. Large state-owned enterprises and Chinese-funded institutions have entered the Chinese market, and the number of Chinese is relatively small. The third stage is from 1995 to 2008. A large number of private enterprises began to enter Poland, with factories, and trade as the mainstay. The fourth stage is the outbreak of the European debt crisis since 2008. More and more Chinese and Chinese companies have begun to enter the Polish market and come to Poland. The number of Chinese students is also increasing during this stage.

Chinese has become the largest group of people coming to Poland from Asian countries. The number of Chinese workers coming to Poland increased too, which ranked the second after Ukraine, some of Chinese workers worked in state owned companies, which China invested in Poland, and some work in private companies, which mainly engaged in trade. Chinese people in Poland have a variety of occupations, ranging from high skilled workers, such as manager, lawyer, and doctor, who are highly integrated into Polish society, but also low skilled workers, who mainly engaged in trade, and construction. In Chinese communities, there are ten associations that are registered in China's embassy in Poland. These associations conducted very active activities in Poland.

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