



## INDIAN INTERNATIONAL MODEL UN

### STUDY GUIDE

### COMMITTEE: UNESCO

**AGENDA: Evaluating the OBOR initiative and its implications**

## **INTRODUCTION**

Throughout the past, integration and connectivity between different regions have been major aspects in enhancing economic activity and trade. The communication between regions has been facilitated by different means of transportation. Technological developments have not only expanded the possibilities of cultural and economic exchange, but have also facilitated and fastened such interactions, thus promoting cooperation and setting up the bases for the globalized world in which we live today.

In 2013, the president of the People's Republic of China, Xi Jinping, announced one of the main projects of its foreign policy: the One Belt, One Road Initiative. It involves constructing massive structures, mostly around transport and energy: roadways, bridges, gas pipelines, sea ports, railways, and power plants. This ambitious plan seeks to promote regional integration through the re-signification of the Old Silk Road. The Silk Road was originally a trade route connecting the East and the West beginning 130 BC. This plan is meant for retracing and expanding the ancient Silk Road as well as the old Maritime Silk Route; so as to connect the Pacific region with Europe on the land and with the Mediterranean by sea.

This plan aims to “help promote the economic prosperity of the countries along the Belt.” The land based Silk Road Economic Belt and oceangoing 21<sup>st</sup> Century Maritime Silk Road are expected to be completed in 2049, the 100<sup>th</sup> anniversary of the establishment of the People's Republic of China. If successful, the OBOR project would link up to 65 countries and 4.4 billion people or about 60 percent of the world's population. Their vision is “to build a community of shared interests, destiny and responsibility featuring mutual political trust, economic integration and cultural inclusiveness.”

Infrastructure investment is one of the main pillars of economic growth. The One Belt, One Road Initiative pursues the development of an economic corridor across Eurasia, by mitigating the infrastructure gap that haunts the continent. The Asian Infrastructure Development Bank (AIIB) plays a pivotal role in enabling the execution of this initiative by China. It is a multilateral forum that was created in 2016, which fosters interconnectivity by addressing infrastructural problems and financing projects, not only in transportation, but also in the sectors of agriculture, energy and telecommunication. Other financial investors include lending by multiple Chinese policy banks. AIIB lent 27 billion dollars for this project. President Xi Jinping announced plans to create a 40 billion USD development fund as well, which will be distinguished from the banks created for the initiative.

The Belt and Road initiative is a systematic project, which would be jointly built through consultation to ensure all interests are met. It's intended at promoting methodical and free flow of economic factors, highly efficient distribution of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out vast and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all. Efforts are being made to integrate the development strategies of the countries along the Belt and Road. The Chinese government has drafted and published the Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road to promote the implementation of this initiative, instill vigor and exuberance into the ancient Silk Road and to connect Asian, European and African countries more closely so as to promote mutually beneficial cooperation to a new high, and in new forms.

## **HISTORY**

The dynamics of infrastructure and trade throughout history, from the first interactions between the east and the west till the colonialist expansion in the 19<sup>th</sup> and 20<sup>th</sup> Centuries has had an impact on the formation of the OBOR. It was the presence of the established silk road that made the colonial expansion by Europe possible in Asia. The Silk Road made interactions, resettlement and movement across ill-defined borders possible. With European capitalist development, the needs for expansion widened, prompting the powers to seek new markets to penetrate and exploit. In this way, the openness of the Asian continent is intimately connected to the expansive needs of capitalism. The great powers sought the dominance over strategic zones, mainly the sites where the Silk Road used to run. In this sense, Central Asia and Southeast Asia - with its port cities and strategical maritime narrows - were two target areas chosen for facilitating colonial trade.

- **The Silk Route:**

The Silk Road was an exchange route, which extended through Asia, Europe and Africa, dating from centuries BC but emerging as a strong and dynamic center of economic activity only during the Han Dynasty. The main significance of the road relies on the fact that it permitted trade between West and East to arise vigorously, enhancing economic prosperity and cultural exchanges, as it blended different religious, artistic and political conceptions. The silk route was used from its opening by the Han Dynasty to its closure in 1453 A.D by the Ottoman Turkish Empire, which interrupted trade with the western areas after defeating the Byzantine Empire. Following the collapse of the route, Europeans strived to find a sea alternative to the land-based Silk Road.

- **The Maritime Silk Route:**

The Silk Road also had a maritime branch, and its use was directly linked to the history of the land-based route. Whenever political instability threatened the merchants who used land-based routes, they drew the trade to the sea. The maritime course had two different paths, one that extended from China to the East China Sea connecting to the

Korean peninsula and Japan, and other from China to South China Sea, Southeast Asia, South Asia, Arabian Sea, Indian Ocean and the Persian Gulf. China was considered to have one of the most important ports of the world, in the Zayton region, as relevant as the ones in Alexandria, Soudak - in Crimea - and two others in India- all of which were a part of the trades in this route. Like its overland-based route, the Maritime Silk Road was used since the ancient times, fact that is verified, for instance, by the presence of silk in Japan approximately in 200 AD. Trade across the seas was a tendency in pre-colonial times, and China had an important role in promoting it during its different dynasties. From the Tang dynasty until the European colonialism this route was pivotal for the trade of Chinese silks and ceramics. The time that this route existed was a golden era for China, before the western imperialism. As many benefits as there are for both the routes, traders did face quite a few challenges on their lengthy journeys.

## **CURRENT SCENARIO**

The incorporation of the two routes in the 21<sup>st</sup> century is exactly what the One Belt, One Road initiative is. The grand design is said to be the “project of the century” as it is the modern equivalent of the previous network of routes (Silk Routes) that existed. This initiative is said to be an attempt by China to revive its past glory achieved by the silk routes, and rectify the errors that it had.

### **● Possible benefits and outcomes of the initiative:**

1. This plan is structured in a way that it enhances the economic interactivity and connection between Asia, Africa and Europe
2. Other than connectivity, two important features of this project are said to be openness and non-discrimination.
3. The OBOR strategy is also said to have diplomatic boons and is not only meant for economic growth. Premier Li Keqiang commented, the OBOR policy was developed not only to boost economic growth, but also to “deepen international cooperation and promote world peace” through sustained bilateral investment and the economic interdependence it produces.
4. When completed, it is supposedly set to generate one third of the world’s Gross Domestic Product.
5. It would help to solve regional development issues by connecting landlocked regions and regions that are difficult to access.
6. It is said to improve the relation between the different nations along the line of OBOR through their mutual cooperation.
7. This could increase the levels of domestic consumption due to growing trade.

### **● Geographical Aspects:**

The idea of the Chinese Government is to recreate the Ancient Silk Road, with a physical route connecting East Asia to Europe. Also, the project involves a maritime route that intends to enhance trade and integration of the region, connecting China to South Asia and East Africa. The OBOR project is said to create direct road and rail corridors between East Asia and Europe, in addition to a string of sea ports linking China with Southeast Asia, South Asia, Africa, the Middle East and Europe. Once complete, this extensive network of trade routes will endorse trade and exports amongst Eurasian states, therefore promoting economic development in the region. The 6 major economic corridors are the China- Pakistan Economic Corridor, Bangladesh- China-India Myanmar Economic Corridor, the China-Indochina Peninsula Economic Corridor, the new Eurasia Land Bridge Economic Corridor, the China-Mongolia-Russia Economic Corridor, and the China-Central Asia-West Asia Economic Corridor. The CPEC connects Xinjiang in Northwestern region of China with Pakistan's Gwadar port on the Arabian Sea, going over the Pakistan occupied Kashmir territory of Gilgit-Baltistan and the disputed region of Baluchistan. This project extends beyond construction of a basic transport network to building highways, railways, oil and natural gas pipelines and optic fiber networks stretching from Kashgar to Gwadar Port.

- **Possible motives:**

Many have questioned the real motive behind the establishment of this initiative. There are concerns that there may be unofficial international objectives to this plan. This is because this plan is said to have strategic and geopolitical benefits for China. The OBOR strategy also has clear domestic focus. To address the structural issues in the state's economy and to maintain the high rates of growth are pivotal objectives of the Chinese Communist Party (CCP). This is due to the fact that the government's legitimacy and the preservation of social order in China rely deeply on the CCP's skill to protect the country's economic prosperity. Thus the possibility arises that OBOR initiative could be a method to ensure national steadiness and uphold the predominance of the communist party in China.

## **BLOC POSITIONS**

The OBOR is a project which involves 65 nations headed by China. The involvement of many countries thus leads to the possibility of conflicts.

- **Australia:**

Australia is hesitant to officially join Belt and Road initiative. This is essentially due to the alleged unilateralism of the project, since the economic benefits are unquestionable.

- **Africa:**

The Belt and Road Initiative, according to Rahem Kholeif, Consul of **Egypt**, is aligned to the country's agenda - pursuit of partnerships, people interaction and economic integration -, and boosts the Sino-Egyptian relations.

The contribution of **Ethiopia**'s industrial sector to GDP, employment and exports remains low. The country's national development plans emphasize on promoting export-led industrialization, focusing on manufacturing. In exploring ways to best utilize OBOR's immense offerings, African governments should be inflexible and guided towards implementation and sustainable development, identifying and then agreeing the best policy mix and governance structures for realizing African wins.

- **European Union:**

**Austria** perceives the importance of China's One Belt, One Road, not only for itself but for the European Union as a whole. The Eurasian integration can benefit the expansion of free trade agreements and the weakening of protectionism, while the widening of trade routes coming from the east can improve Austrian relations with both China and its Eastern European neighbors.

Representing one of the most important economies in the continent, the **French Republic** is central for the Chinese view of reaching the strong European Union's market; the world's largest and richest. Considering China's production capacity, it is clear, however, that a wider Chinese insertion in the European market can threaten the EU's industrial base and competitiveness. France, as a result, shares with some of its neighbors the fear that the initiative might be advantageous for Chinese interests only, and more transparency is demanded in order to put it clear the real Chinese expectations in its expansion across the European continent.

**Germany** understands and supports India's position, as the German ambassador, Martin Ney, argued that the One Belt One Road initiative pursues China's interests, not free trade as the Ancient Silk Road did.

**Italy** is also a strong supporter of free trade and fights against growing protectionism, being willing to cooperate within China's One Belt, One Road. The good quality of Italian ports, along with its strategic location, puts the country at an important place in the Maritime Silk Road in the Mediterranean Sea.

Going through the negotiations related to its exit from the European Union, the **United Kingdom of Great Britain and Northern Ireland** is seeking to lay the groundwork for its trade deals and economy for when the country leaves the regional bloc. Considering the role London plays in the international economic system, there are no doubts that the United Kingdom can serve as a hub of investments and financial power for the One Belt, One Road. The bilateral relations between both China and the United Kingdom have many reasons to prosper, while the cooperation and the foreign support OBOR might boost are of vital importance amid a post-Brexit context.

- **Asia:**

**Azerbaijan** has a strategic geographical position in central Asia, representing an important actor to regional connectivity not only the initiative is new, but also the Chinese presence in Azerbaijan – the countries don't have an active relationship, which may change with OBOR.

**Bangladesh**, standing between two regional powers – China and India – is part of a key project for the initiative: the Bangladesh-China-India-Myanmar economic corridor, which promotes access to the Indian Ocean.

**India** is the only major country in Asia that has no significant role on China's One Belt One Road Initiative. This reality is mainly because the project might interfere in India's sovereignty. This is because the China-Pakistan corridor runs over territories claimed by India, in the Pakistan-Kashmir area. Hence, OBOR implicates not only economic but also geopolitical consequences, giving rise to old rivalries and possibly breaking regional stability.

The **Islamic Republic of Iran** has great chances of benefitting from the major gains brought by the One Belt, One Road. The country's geographical position puts it in a strategic passage in the Asian continent, standing at the center of the Eurasian Overland Bridge, connecting Central Asia to the Middle East - and further to Europe.

**Israel** and China developed an extensive bilateral cooperation, and with the rise of Belt and Road Initiative, this relation might deepen even more.

**Vietnam** is joining China's Belt and Road Initiative, and welcomes the infrastructural benefits provided by the bold Chinese project.

The One Belt, One Road Initiative stands at the center of the **People's Republic of China's** foreign policy. The initiative is an economic strategy which aims to expand integration with other countries and export Chinese capabilities across a new vision of global cooperation. By putting great efforts on OBOR, Beijing is relying on an ambitious move to expand its sphere of influence in the Asian continent while committing substantial financial power for the establishment of a project that is not certain to be successful.

OBOR provides great advantages to **Pakistan**, as mentioned by the Minister for Planning, Development and Reform, Ahsan Iqbal, and the Prime Minister Nawaz Sharif. Pakistan sees China's initiative as a peace and prosperity developer, and the China-Pakistan Economic Corridor (CPEC) as a strengthening to the regional economy.

A deep sea port in the city of Kyaukphyu is probably the main project under the OBOR in **Myanmar**; standing on the Bay of Bengal, a strategic location in the region; it provides great access to the Indian Ocean. The new port is part of the Bangladesh-China-India-Myanmar economic corridor, a key project for the Chinese initiative.

**United Arab Emirates** and China have deepened its relations, being the latter UAE's second largest trade-partner; around 60% of the commerce between those two countries is re-exported to other nations in Africa and Europe, a fact that supports the main idea of the Chinese project.

**Kazakhstan** is at the core of the Chinese initiative in Central Asia. OBOR can place the region in a new global context, developing its importance in international trade; by being the biggest economy in the region- generating 60% of all its GDP - Kazakhstan can definitely benefit from its neighbor's initiative.

**Saudi Arabia** is in accordance with China's initiative, highlighting the consonance with the Kingdom's agenda and the relevance of the project. The country is located at a strategic point of OBOR, in the crossing of two of its

main routes, playing, then, an important role for the regional progress - it appears as one of the linking points of the Gulf's railway network, connecting the states from Kuwait to Oman.

The **Russian Federation** is in great position to contribute to and benefit from OBOR. Both countries signed, in 2015, a cooperation agreement between the Belt and Road and the Eurasian Economic Union (EEU), tightening relations between China and the Central Asian countries and laying ground for a further Eurasian cooperation under OBOR.

## **SUGGESTED MODERATED CAUCUS TOPICS**

1. AIIB's role in promoting the initiative
2. Possible challenges that the OBOR project needs to overcome
3. Ways to conciliate all the countries' interests under the OBOR
4. Effect of regional connectivity on development
5. Benefits of the OBOR initiative
6. Features of the One Belt, One Road project
7. Security funds for workers involved
8. Geographical and infrastructural aspects of the OBOR project
9. Funding and budget of the OBOR initiative
10. Possible motive behind the initiative
11. Effect of the OBOR on countries

## **RESEARCH LINKS**

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18. <https://historyshadow.wordpress.com/tag/one-belt-one-road/>
19. <http://beltandroadcenter.org/2017/12/15/maps-of-the-silk-road/>
20. <https://indianexpress.com/article/what-is/china-one-belt-one-road-project-obor-4653564/>