



# ABD-ÇİN REKABETİ BAĞLAMINDA "TEK KUŞAK TEK YOL" PROJESİNİN DEĞERLENDİRİLMESİ

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#### ÖZET

Çin Devlet Başkanı Xi Jinping 2013 yılında Çin ile Avrupa'yı birbirine bağlayan iki önemli projeyi duyurdu. İlki "İpek Yolu Ekonomik Kuşağı (Tek Kuşak)" ve ikincisi "21. Yüzyıl Deniz İpek Yolu (Tek Yol)" dur. Tek Kuşak-Tek Yol projesi (TKTY), Çin'i Orta ve Batı Asya üzerinden Orta Doğu ve Avrupa'ya bağlamaktadır. Bu çalışmada, OBOR projesinin işlevselliği ve küresel etkileri tartışılmıştır. Zorlukların yanında OBOR projesinin de büyük firsatları var. Her şeyden önce OBOR projesi, Çin'in Asya'daki ABD'ye yönelik büyük stratejisi olarak görülebilir. Çünkü ABD son yıllarda Asya'daki nüfuzunu artırmaya başlamıştır. Çin, Asya'da kontrolü kaybetmek istemiyor. Bu çalışma Çin'in yeni büyük stratejisini ve ABD ile Çin arasındaki rekabetin önemini değerlendirmeyi amaçlıyor. Ayrıca, Çin'in bölgesel etkisini artıracağı ve TKTY projesi ile ABD'nin Asya'daki denetimini kıracağı sonucuna varılmıştır.

Anahtar Kelimeler: Tek Kuşak Tek Yol, Yeni İpek Yolu Projesi, Çin'in Büyük Stratejisi, Bölgesel Rekabet, Hegemonya Mücadelesi

# EVALUATION OF "ONE BELT ONE ROAD" PROJECT IN THE CONTEXT OF COMPETITION BETWEEN US-CHINA

#### ABSTRACT

In 2013, Chinese President Xi Jinping announced two important projects which link China with Europe. The first one is "Silk Road Economic Belt (One Belt)" and the second one is "21st Century Maritime Silk Road (One Road). One Belt-One Road project (OBOR) links China to the Middle East and Europe through Central and Western Asia. In this study, it is discussed that functionality of OBOR project and its global impacts. As well as challenges OBOR project has great opportunities. Above all OBOR project can be seen as China's grand strategy toward the US in Asia. Because the US has begun to increase its influence in Asia in recent years. China doesn't want to lose control in Asia. This study is aimed to evaluate China's new grand strategy and its importance of competition between US and China. It has also been concluded that China will boost its regional influence and break US's control in Asia with OBOR project.

Keywords: One Belt One Road, The New Silk Road Project, China's Grand Strategy, Regional Competition, Hegemony Struggle

# **INTRODUCTION**

Chinese President Xi Jinping's speeches in Kazakhstan on September 7, 2013, and in Indonesia on October 3, 2013, are filled with clues about China's new-era strategies. 2013 is the year in which China is declared to adopt an active economic policy in the international arena. In his speech in Kazakhstan, he spoke about the "Silk Road Economic Zone (One

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Belt)" project, while Xi said in his speech in Indonesia, "21. Century Sea Silk Road (One Road) "project. These projects, which are called "One Belt-One Road" (OBOR), aim to link China to Europe both sea and land.

The OBOR project is not just about linking China and Europe. The project has far more comprehensive and long-term objectives. First of all, when the route planned for the project is examined, it is seen that the project is over the continents of Asia, Europe, and Africa. In this sense, the project has intercontinental coverage. In addition, although the economic dimension of the project is brought to the forefront, the importance of the social, cultural and security dimensions of the project should not be forgotten. With this very comprehensive and multidimensional project, many countries are going to cooperate and expect mutual benefits from the advantages that the project will provide.

Until the early 1980s, China, which embraced self-enclosed foreign policy, began to an outward-oriented foreign policy under the leadership of Deng Xiaoping. This policy change of China has been described by some experts as "a revival of a revolution". It really attracts everyone with its population that China has. With the high economic growth it has achieved in the outward opening process, it has succeeded in attracting attention to neighboring countries, Europe and especially the United States. China's growing presence in global trade has undoubtedly caused changes in global power balances.

Having considered the advantage of low labor costs, China has greatly increased its foreign trade volume for the last 30 years. As China grows and grows in energy needs, it has to keep its economic growth above a certain level in order to meet the needs of such a large population. In doing so, however, it should take into account not only internal factors but also external factors. Especially in recent years, the interest in the Asia-Pacific region to maintain the US's global hegemony has led to conflicts of interest between China and the United States.

The recent US trade agreement, which includes the Trans-Pacific Partnership (TPP) and 12 countries, is an attempt to break the increasing activity of China in the region. The United States, in particular, aims to increase its relations with Japan through this partnership. The United States thus aims to balance the growing co-operation between China and India with Japan. In such a competitive environment, China aims not only to neutralize its strategies but also to keep its economic growth at a certain level.

However, the growth of the Chinese economy slowed down in 2015. If this slowdown continues in the coming years, China will have economic problems. Besides, there is also the problem of idle resource in China. Especially in the production of iron and steel, China has a surplus of production, and this excess can not be eradicated. These problems also have an impact when China is leading the OBOR project. China wants to accelerate its slow growth with projects such as OBOR. Moreover, the aim is to use the excess of production that the export problem has suffered in the course of the project or later stages.

# Purpose, Features, and Priority of the OBOR Project

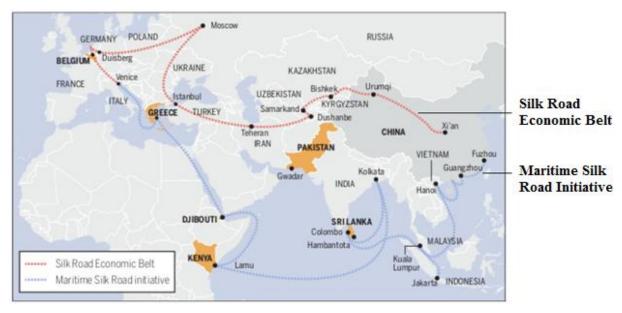
China's new projects, which have strengthened the economy with great change over the last 30 years, are making great efforts to pass on life. China, after mentioning its name in the





world, wants to be known culturally. The OBOR project, which will link China and Europe, will allow Chinese culture to spread to the world. The project, which encompasses more than sixty countries, is expected to have a positive impact on many economies. It is expected that the acceleration of the flow of goods, services and technology will ensure the provision of peace, stability, and development. In this respect, it can be said that the economic, as well as social, cultural and political objectives of the project.

This project is a symbol of peace, co-operation, economic development, transparency and equal opportunity for China. Through this project, China aims to create stability in foreign policy, development and adaptation of neighbor relations, and a suitable environment for trade and economic growth in the region. (Campos, 2015:7) Especially the neighborhood policy has a separate prescription for China. Because China is aware that it has to develop relations with its neighbors to increase its regional power. The neighborhood policy was launched in the period of Hu Jintao, China's leader in 2002-2012, and is further developed under the leadership of Xi Jinping in 2013. (Ekman, 2015:7)



# Figure 1. The New Silk Road Project

Source: (Verlare, 2015:32).

In the new Silk Road project Russia, Iran and Turkey will be strategically important countries. Because China wants to implement this project step by step through three corridors, North, South, and Central. Russia for the North Corridor; Iran for the southern corridor and Turkey for the middle corridor are strategic countries. For this reason, as the project progresses, the cooperation of Russia, Iran, China and Turkey should be expected to strengthen.

The new Silk Road Project also has a great important in terms of its features. China is ready to make a fall on this project in order to become international. The plant has four basic characteristics. These are; (Campos, 2015:7-8)





1) Openness: This project is open to all countries, economies, international organizations and non-governmental organizations.

2) Incorporation: There is no obstacle in front of a country or region that wants to participate in this project. Each country and region may voluntarily be the participant, the executive and the beneficiary of this project.

3) Mutual Benefit: All parties involved in the project will benefit mutually from the advantages of the project.

4) Participation: It is very important to make negotiations within the scope of the project in the direction of the common interests of the parties in the realization of the cooperation and certain objectives.

What is the significance of this project in terms of China? In recent years, China has faced the problem of over-production in steel and construction materials. China wants to solve this problem by opening up foreign markets with this project. The second is the rising labor costs in China. With this project, China will be able to export labor-intensive and low-value-added manufacturing products to overseas countries. In addition, with this project, China plans to realize the economic development of the relatively underdeveloped Central and Western regions. Finally, Chinese investors will have much more investment opportunities in overseas countries thanks to this project. (Campos, 2015:13-14)

China, with the New Silk Road Project; (Brugier, 2014:2-3)

1) Inner Stability and Peace: China has underdeveloped regions with instability and independence. China is aiming to end the conflicts in the region with the economic development that the New Silk Road project will provide. China believes that regional development in combating extremism, separatism and terrorism is crucial to maintaining regional integration.

2) Cooperation with nearby neighbors: China's new Silk Road project aims to consolidate its cooperation with its neighbors and contribute to its neighbors' stability. Because China is worried about the movements in its immediate vicinity leaping to its territory. As a matter of fact, the Tulip Revolution in Kyrgyzstan in 2005 and the May Uprising in the Andijan city of Uzbekistan show that the concerns of China are not out of place. To this end, China wants to maintain economic and political stability in these countries by strengthening economic and regional co-operation with their immediate neighbors.

3) Energy Security: China's energy needs are growing steadily, with the average growth rate reaching 10%. It aims to reduce its energy dependence on Russia. To this end, the New Silk Road project is considered to have strategic priorities in the development of those countries' relations.

4) Creating an Alternative Trade Route with Europe: With the new Silk Road project, China aims to create an alternative route to Russia in developing trade with Europe. It takes 20 to 40 days for the Chinese goods to reach the European market by sea. But thanks to this project, goods from East Turkestan to Eastern Europe will be reached in 11 days. With this project,





China will be less dependent on Russia in trade and aims to be beneficial for regional and global commercialization by establishing the development of East Turkestan, cross-border trade and infrastructure and supply chain.

The new Silk Road project offers countless opportunities to consolidate China's strength in the Asia-Pacific region. This region is extremely important for China's foreign policy in terms of economy, energy and security. The US's interest in the region also leads China to pursue a balance-of-policy strategy against the US in the region. It is known that the priority of the new Silk Road project is economical. However, the project is much more important, especially because of the advantages it provides for energy. China, the world's largest oil importer, wants to diversify its energy suppliers and reduce its dependence. At the same time, China's energy companies aim to pass on their various projects in Central Asia, especially in Kazakhstan and Turkmenistan. The project is extremely important for these aspects. (Ekman, 2015:9-10)

# **OBOR Project and Multi-Polar New World Order**

The post-World War II period is known as the bipolar world order. In the post-war period, there are countries on the one side favoring capitalist ideology and free-market economy that the US pioneered and on the other side countries under the roof of the Soviet Socialist Republics (Union of Soviet Socialist Republics-USSR) where the socialist ideology and the planned economy are defended. In this process, both the US and the USSR have been fighting hegemony. Both sides have implemented various strategies in order to have a say in world economy and management.

From time to time, the possibility of a hot conflict between the two poles has increased. But in this period, there were no hot conflicts between the parties. For this reason, this period is referred to as the cold war period. In this process, the USSR suffered more damage and had to give up its policy of spreading its own ideology. The end of the Cold War began with the arrival of Gorbachev in the USSR. Gorbachev played an active role at the end of the cold war with the "Glasnost" (openness) policy, the development of democratic freedoms and the "Perestroika" (restructuring) policy and policies that facilitated the transition to the free market economy.

As the activities of the Soviets diminished, the unipolar world began. With the collapse of the Berlin Wall and the unification of East and West Germany, the bipolar world has come to an end. The end of the bipolar world order is undoubtedly a historical turning point for the United States. Because before, there was a power to balance itself. Now it was time to seize all dominance. Thus, a revolution has been passed through which the western-oriented and capitalist ideology spreads rapidly around the world. On the front of the USSR, preparations were made for the transition to the free market economy. This period, in which the West acquired the ideological superiority, was expressed as the New World Order (NWO).

The unique concepts of NWO have also started to spread around the world. Some of them are liberalization, free market economy, democratic rights and freedoms, neoliberalism, rule of law, deregulation and privatization. Thus, the US has begun to restructure the world according to its own ideology and to spread its economic, political, military and cultural sovereignty as





much as possible. Towards the end of the 21st century, however, the position of the US as the only sovereign power began to shake. In this process, the countries and blocks that have completed the economic development in the cold war period against the USA have begun to emerge. China is at the head of these countries.

China has begun to increase its effectiveness in Asia with its outward-looking policies in the post-1980 period. Significant progress has also been made in foreign trade with low labor costs. It seeks to capture the US market with low exchange rate policy and imitation products. It also occasionally explains that China should reduce the global dominance of the dollar as much as possible and that the national currency outside of the dollar should be used in bilateral trade. In addition, the European Union (EU), which emerged as a union against the United States, has begun to threaten the interests of the United States. The use of the euro in 1999, a move against the US dollar.

There is another point that should not be missed out of all these. The US has to struggle with the countries that can cooperate with China, not just China. For now, cooperation between China and Russia is threatening the United States. Both economic, political and military initiatives by the United States to protect global dominance are signs of China and Russia's attempts against it to move towards the world's multi-polar new world order (MPNWO).

Distribution of poles according to poles of India, Indonesia, Philippines, Taiwan, South Korea, Malaysia, Turkey, Iran, Saudi Arabia and Balkan countries will play a major role in the formation of the new era in MPNWO. MPNWO is reminiscent of the power struggle of the cold war era. China began to take an active role in the Syrian civil war. It is also trying to weaken the US control in Latin America. In Africa, it is trying to put his weight with his aid diplomacy.

The improvement of the relations between Russia and Turkey has relieved the hand of Russia which started to be surrounded. Russia, however, realizes that Turkey is, above all, a NATO country. For this reason, Turkey wants to take slow and successful steps in its policies. Through agreements such as nuclear power plants, energy and pipelines signed between Russia and Turkey, both sides have announced to the world that they are ready to cooperate on their economic interests.

# Hegemony Struggle and the Role of OBOR Project in this Process

Of course, OBOR is not the only initiative that China has made to increase its effectiveness in Asia. China has also established the Asian Infrastructure Investment Bank (AIIB), which it has embraced. In addition to China, there are also Germany, South Korea, Australia and the United Kingdom in the AIIB, where Turkey is a regional and founding member. Japan took part in the TPP, which was initiated by the United States, instead of joining the AIIB, which was led by China. This shows that China and Japan are in a power struggle in Asia and that they can take part in different poles to succeed in this struggle. (Katada, 2016:2)

There are many reasons for the Southeast Asian hegemony struggle between China and Japan. These are: (Mazza, 2015)





1) Dynamic Market Structure: Southeast Asia markets have a very vibrant market structure for both China and Japan. By 2020 the middle-class population of the region is expected to be 400 million. In this respect, the region has the potential to become a major export market. It also attracts Chinese and Japanese entrepreneurs for infrastructure investments.

2) The Struggle for Influence: Japan aims to reduce its influence in the region of China with development aid and investments in Southeast Asia. So Japan wants to prevent China from moving freely in the region.

3) South China Sea Issue: Another reason for Japan's interest in Southeast Asia is the problem of the South China Sea. The number of Southeast Asian naval forces is not the same as China. Japan aims to balance China's strength in the South China sea by increasing its naval capacity in Southeast Asia.

Cooperation between China and Russia is important in the hegemony struggle between USA-China, USA-Russia, China-Japan. However, there is a point that China and Russia need to emphasize for cooperation. China and Russia are two major countries that want to increase their activities in Central Asia. While both countries are collaborating against the US as they are in the South China Sea issue, there are conflicts of interest in some issues. (Brugier, 2014:1-3)

China's OBOR project is an area where this conflict of interest is experienced. Because this project reduces the effectiveness of Russia in Central Asia. It is unclear whether China has started this project to break Russia's effectiveness in Central Asia. But China seems uncomfortable with some of the steps Russia has taken recently. Russia's action towards Ukraine and the attempts it has made to establish the Eurasian Union are examples of this disturbance. The efforts of both countries to excel in the region cause them to meet from time to time. (Brugier, 2014:1-3)

Besides these, China is uncomfortable with the US control over sea transportation, which takes up much of its trade with Europe. Because the sea routes used in trade with China and Europe are controlled by US navy. China intends to form an economic corridor with Pakistan to break this control of the US. (Blackwill and Harris, 2016:125)

Russia has also rejected the free trade zone initiative China is trying to create with the members of the Shanghai Cooperation Organization. After this initiative of China, Russia, together with Kazakhstan and Belarus, established the Customs Union of Eurasia. After all, it is normal for Russia to feel uncomfortable with China's "New Silk Road" project. However, increasing tensions between China and Russia have also damaged the co-operation of the two countries against the US. The occupation of Russia by Crimea is a sign that China can not take an independent step in the region. Because China saw the Crimea as a transit point in its trade with Europe because of the \$10 billion deep water port in Crimea. But with the intervention of Russia in the Crimea, the Crimea, which has a strategic prescription for China, has been controlled by Russia. (Brugier, 2014:1-3)





# CONCLUSION

The OBOR project, announced by Chinese President Xi in 2013, is an important project that revives the historic Silk Road. The project connects China and Europe both from land and sea. But the project not only links China and Europe but also strengthens cooperation in the economic, social, cultural and security spheres between Asia, Europe, and Africa. So that the countries under the project will have mutually significant advantages. With these advantages, countries will increase their regional activities.

The globalization process is beneficial in many areas, but in many other areas it creates harmful results. One of these harmful consequences is the change in regional power balances. Regional balances can be changed rapidly by various cooperation and partnerships. And these changes have negative consequences for the countries with the current regional power. Another negative consequence of the globalization process is uncertainty. The project is extremely important both as a stabilizer against regional power changes and uncertainties.

It is more accurate to interpret the project according to the development of China's weight in the global economy. China has made important strides in the post-1980 period under the leadership of Deng Xiaoping. With the advantage of its population and cheap labor, it has quickly become one of the most important countries in global trade. So that global balances have changed again. The US, Europe, Russia, and Japan have to do with their policies taking into account this new position of China.

China's economic progress has brought with it various difficulties. First of all, China is a country that is dependent on the outside for energy. For this reason, as China grows economically, its energy needs are also increasing. As a result, China's power is limited and the monitoring of independent politics is partially hampered. For this reason, China is trying to minimize this dependence with new projects. In the post-1980 period, China's growth rates have increased steadily. But China's remarkable growth has slowed in recent years. In order to reduce both energy dependency and slowing growth in recent years, China has passed through this project.

It would be incomplete to simply evaluate this project from an economic point of view. When interpreting in terms of international relations, the significance of this project can be better understood in the hegemony struggle between countries. In the bipolar world after the Second World War, the United States and USSR strived to spread their ideologies. The USSR suffered further from this process and eventually collapsed. With the collapse of the USSR, a unipolar world order has formed in the US pioneer. But the US has found new forces before too soon.

China, one of these forces, has become dominant in the US market with both exchange rate policy and imitation products. So that China has come to be the country that has to struggle primarily for the USA. For this reason, the US has been allied with Japan as a force to balance China. It even promoted this alliance to include the Trans-Pacific agreement and the countries neighboring China with this agreement. The two most profitable countries are the US and Japan about this agreement.





With these initiatives, the United States aims to reduce the effectiveness of China in the region. China responded with the OBOR project. It can be said that in the long term China will maintain or even enhance its activity in the region with this project. Trump's election as President will make it easier for China to focus on this project. Because Trump interpreted TPP as a disaster during the Presidential campaign. This means that the US will not make as much effort as before to become active in Asia in the coming period.

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