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Chair of applied Geopolitics at College of World Studies; Former French Ambassador to Latvia; Former Director of the policy planning staff of the French Foreign Ministry

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Our last speaker is Professor Michel Foucher, who has been the Chair of Applied Geopolitics at the College of World Studies since 2013 in Paris. He was the French Ambassador to Latvia, serving as a special envoy to the Balkans and the Caucasus. He also served as Director for Policy Planning at the French Foreign Ministry and as advisor to the Foreign Minister.

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Thank you, Mr Chairman. You have asked me to share a European view of the One Belt, One Road initiative, so I will take the risk of doing that.

I will start with President Xi Jinping's visit to Europe last year. His trip provided observers with some very significant messages. Before he went to Brussels for his first meeting with the European institutions, he gave a speech in Bruges at the College of Europe, which is a place where the majority of European civil servants and many leaders have been trained since 1949. After that, he went to Brussels. Before he came to Paris, he made a stop in Lyon, which is a regional metropolis, and had quite a personal meeting with the leaders of the Institut Mérieux, which is a top leader institute in health research with P4 laboratories – and there are now two P4 laboratories in China.

Before he headed to Berlin for meetings with Mrs Merkel, he made a stop in Duisburg, which is rather a strange place for an official visit of this level. Duisburg is Germany's foremost river harbour, but it is the end of a long line that starts in Chongqing where you have the Yuxinou Ruhr XE "Yuxinou Ruhr" line linking Western Europe to Central China in Szechuan with Trans Eurasia Logistics, a Russian German Polish company. They operate between five and six trains every week on 16 days long trip. This started four years ago and I remember that on another trip the President Xi made a stop at Minsk and paid a visit to a new industrial and free trade area close to this same railway. We are therefore right in the middle of our topic here. What, then, is the Yi Dai Yi Lu initiative? What does it mean? Mr Zhang has already given us the framework for this.

When I was in Riga I participated in a meeting organised by American diplomats, American businessmen, NATO strategists and logistics companies and the topic was the New Silk Road. This was four years ago. What was this about? It was about looking at a number of ways for European and American troops to exist Afghanistan. This was a huge logistical challenge. There were thousands and thousands of containers, old tanks and a lot of different things. The quickest way was to fly to Dubai, but the cost was at the level of the security provided. Another way was to cross the Amu Darya River and go through Uzbekistan, Kazakhstan, Russia and then Riga Airport.

At the beginning, this Silk Road initiative was prepared by an American, Frederick Starr, who is Head of the Central Asia-Caucasus Institute at Johns Hopkins University in Washington and he received great support from Hilary Clinton. The issue was how to transform this exit route into something more permanent and how it could be used to promote American economic interests within Central Asia. This might be a precedent but I am sure that Chinese thinkers or researchers had a look at it. This was confirmed to me by a Chinese Ambassador in a previous meeting in Seoul.

I could have started with a map, but there has been no official Chinese map of it to date. I have therefore drawn my



own map and we will look at that later. I will therefore start with the chronology.

President Xi Jinping unveiled the One Belt, One Road grand strategy – and I think that this is a grand strategy and more than an initiative – in September 2013 *“as an answer to the call of our time for regional and global cooperation”*. By the way, as regards the European perspective, it seems to me important to understand the Chinese view before coming to any conclusion. The Belt refers to an economic and continental Silk Road and it was announced in Kazakhstan at Astana University. The President of Kazakhstan has created a Eurasian university and he is very fond of it in Astana. He has tried to use multilateral and multi vectorial diplomacy. The maritime road was launched at an APEC meeting in Indonesia, along with the proposal of the Asian Infrastructure Investment Bank based in Shanghai.

In November 2013, the Third Plenum of the 18th Central Committee of the Chinese Communist Party asked for the speeding up of the implementation of the One Belt, One Road initiative and in March 2014 a Government report focused on the economic corridor with Pakistan as a kind of test case as well as with Bangladesh, China, India, Myanmar (BCIM). In May, a logistics terminal built by Shana XE. "Shana" in Kazakhstan was opened in Guanzhou as a hub for exports from Central Asia. In October, a memorandum of understanding in relation to the Asian Infrastructure Investment Bank was signed by a first round of 21 countries, with agreement on locating its headquarters in Beijing. There was also an APEC meeting in Beijing in November where the Presidency launched a New Silk Road fund with initial capital of USD 40 billion. In 2015, the Bank was extended to new members; in February, the fund started to operate; in March, France, Germany and Italy – leading European economies – and, of course, England joined the bank as founding members. However, there is a problem with Washington at this stage and especially with our British friends.

In April, the Bank had already 58 members, whereas in March there were 28. A very important step for observers is that an Action plan has been published by the National Development Reform Commission, the Foreign Ministry and the Trade Ministry. In April of this year, President Xi Jinping announced the first project financed by the fund in Pakistan, with a hydroelectric dam in Karot. I understand that this initiative was confirmed in October at a meeting on the next five year plan.

In my view, Yi Dai Yi Lu has three dimensions. The first has to do with the “new normal” in the economic growth and model, and that leads companies to look at new drivers of growth outside Chinese territory. That is the first move. The second dimension has to do with the practical concept of connectivity, particularly in Eurasia, and without any precise geographical limits. The last point is linked to both geo- economics and geopolitics. I will therefore start quickly on this since the context has already been set by Richard Cooper and Mr Zhang. This initiative is clearly part of our massive investment plan in infrastructure, basically covering Central Asia and South East Asia.

An interesting point that comes up when you study the Chinese model of growth is a situation of overcapacity, which in an IMF study is estimated at about 10%. Overcapacity means that there are a lot of tractors and construction machines and so on without market in China anymore. This therefore needs to be linked with what Mr Zhang spoke to us about convincingly, which is that you have to sustain, using new modalities, the economic growth of the Chinese periphery and Central and Western China through a special development zone. The eastern provinces are also interested in having a starting point on the maritime road, with Fujian and Guangdong, and I read that Fujian had a role in the past in producing porcelain and silk. It is clever to go back to roots – and to the roads. Hainan is making its case and there is also of course Xi’an on the mainland. Everything can find its roots in history since Xi’an was historically the starting point of the old Silk Road.

The second dimension is connectivity with Eurasia. This is part of the “Chinese dream”, with due respect to the Tang period, and a golden age. It is of course also a promotional campaign. It is more than a simple technocratic project. It is a political one about internal integration in China. The campaign is very active, notably in Xinjiang and for obvious reasons there is an attempt to ease political tensions, which could grow with the development of new interactions with Central Asia – however, I will not dwell on this.

Some experts are not convinced that there is a detailed strategic plan and there is of course a lack of precise mapping, and there is an argument for that. However, this is a way of branding and giving a label to actual infrastructure and



projects and giving the initiative a tangible reality. That was the meaning of the visit to Duisburg. The March 2015 Action plan is a kind of advocacy for cooperation but no priorities have been listed, as far as I understand from the English version.

There is no long term planning. Even for Pakistan, we understand that there is a corridor, but it is not a road in terms of a line, but a framework. Let us accept that it is a framework. It is a very flexible framework and, as I could add now after listening to what was said earlier, a gradualist framework. I also understand that a lot of think tanks in China have organised a lot of seminars to try to take stock of foreign visions and reactions. It is therefore a network and an infrastructure. I will not list all the new railways and harbours and projects, including possibly the Singapore - Yunnan new road and so on, or the new pipelines or the interest in the Indian Ocean Rim to short cut Straits of Malacca.

Let's have a look at the map I drew for round-table. It's just a sketch and I have included the gross national product (GNP) of major countries, comparing East Asia and Western Europe. This is a slow forming strategy with a continental dimension, although it also has a regional dimension. China needs time to consolidate its regional position step by step. Even if the concept is not really used in China, it is a new kind of "neighbourhood policy". I am aware that a number of Chinese researchers have gone to Europe to study Europe's neighbourhood policy and there is more or less the same interest as regards neighbourhood policy here. The motto is the Silk Road economic belt, the North Maritime Road, Trans Asian logistic routes and pipelines, and I would also include here regional groupings, with the Eurasia Union, the European Union, the GCC, which has already been mentioned, and ASEAN. That is therefore the global sketch, but the first step is really a regional one.

I have one point on governance. This is not a multilateral approach but a bilateral one and as far as I know there is only one structure of governance, which is a political one with a very small leading group of five ministers and state councillors. The fund is a private entity and it is an investment fund. The money comes from financial institutions and it will grow quickly. The Bank is already active.

Lastly all these initiatives are subject to security conditions and I understand that the Taleban delegation from Afghanistan has been received in Beijing and that China, The United States, Pakistan and Afghanistan are trying to reach a long lasting political settlement. It is very easy to draw lines on a map and look at exploiting copper mines in northern Afghanistan, but everyone has political risk in Pakistan and Afghanistan. I do not know if the Shanghai Cooperation Organisation is strong enough to address these inevitable risks.

To conclude, I think that the Yi Dai Yi Lu initiative is much more than a mental prop – *un effet d'annonce*. It is much more than that. It is a grand strategy. However, it is a long term strategy that aims to imply neighbours in a new kind of economic diplomacy – and that is something that we like a lot in France since it is a kind of Chinese economic diplomacy and, as I have already said, last year in Seoul at the WPC in this kind of process, especially in the Eurasian continent, geo-economics is coming first and it may have a subsequent geopolitical aspect in terms of influence. However, this initiative requires, according to each country, a stable situation, which is a big challenge. My conclusion is that sooner or later China will have to be much more involved in geopolitical issues worldwide and not only on geoeconomic affairs, but especially in the Middle East and Africa.