

THE STRATEGIC THINKING OF CHINA'S “BELT AND ROAD” INITIATIVE (BRI), MIDDLE CORRIDOR AND THE BRI

China's BRI was actually decided upon when the new Chinese leadership faced the combined pressure of the economy slowing down, the US pivot to Asia, and the deterioration of diplomatic relations with neighboring countries after weathering the storm of the 2008 Global Financial Crisis, which led to an “offensive for defensive” policy

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Introduction

The Belt and Road Initiative (BRI) has had a great influence on many countries, however, the intentions and strategies of China are still in dispute. Most Chinese scholars propose that China has no intention of being a hegemon, not to mention an imperialist power. In fact, China's BRI was actually decided upon when the new Chinese leadership faced the combined pressure of the economy slowing down, the US pivot to Asia, and the deterioration of diplomatic relations with neighboring countries after weathering the storm of the 2008 Global Financial Crisis, which led to an “offensive for defensive” policy (Wang 2016: 455).

Besides, China has no choice but to offer the BRI in a mutually beneficial structure in order to solve domestic and international concerns.

The primary domestic motivations are the slowing down of the Chinese economy and, especially, the two major headaches, overcapacity and excessive foreign exchange reserve. As a result, China needs to find new markets and new investment opportunities for its industries and investors. As for international concerns, the US pivot to Asia, and/or its rebalancing strategy with the Trans- Pacific Partnership (TPP), increase China's rise by trying to sell its core interests to Americans.



However, scholars and journalists from other countries, including Turkey, still worry about the intentions and strategies of China. As expected, there are positive and negative opinions on China's BRI. On the positive side, cooperation with China benefits Turkey in the areas of its own infrastructure construction, investment in China, and becoming a regional middle power.¹ For example, Turkish president Recep Tayyip Erdoğan said the initiative is "highly significant and historic." As an indispensable participant, Turkey is providing strong support to Beijing's initiative to revive the ancient Silk Road. For example, the Baku-Tbilisi-Kars railway became operational in 2017, which is an important step in the Middle Corridor plan (Xinhua 2017).

On the other hand, scholars worry about several issues, such as trade deficits between China and Turkey and the intentions and ability of China to fulfill goals with so many risks in Central Asia. Also, Turkey should consider its own strategy concerning its relationship with the West, Russia, and China. For example, some media outlets focus on the issues in Uyghur while criticizing the "real benefits" Turkey might get through the BRI (Wang et al. 2015: 77). Some worry about the trade deficit between China and Turkey (Wu and Dzung 2017: 56; Dal 2017). Talip Küçükcan (2017) considers that there are lots of unignorable priorities that Turkey should deal first rather than the BRI, such as the PKK (Kurdistan Workers' Party) and Fetullah Gülenist Terrorist Network (FETÖ) as well as refugees and political instability in the Middle East (89-90). Finally, Turkey is also facing strategic choices after the 2018 election.

This paper is based on the above questions, and it seeks to make an analysis of China's BRI strategies. Then, it makes a conclusion and suggestions concerning Turkey's alternatives.

The Strategic Thinking of China's Belt and Road Initiatives

What is the strategic thinking, or intentions, of the BRI? Leverett et al. (2016) concludes that there are two camps discussing the New Silk Road Initiatives. One emphasizes economic and domestic political motives, and it effectively separates the BRI from China's increasingly tense relations with its East Asian neighbors. The other camp takes the BRI as further evidence of a more assertive Chinese posture (Leverett et al. 2016: 111).

Wang (2016) proposed the BRI as being an offensive grand strategy in order to be defensive. As the US has shifted from multilateralism [World Trade Organization (WTO)] to promote megaregional Free Trade Areas (FTAs), including the Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP),

The BRI as being an offensive grand strategy in order to be defensive. As the US has shifted from multilateralism World Trade Organization (WTO) to promote megaregional Free Trade Areas (FTAs), including the Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP), and the Trade in Services Agreement (TiSA), the intention of the US is to not let China and Russia "write the rules out for the Asia-Pacific region"

and the Trade in Services Agreement (TiSA), the intention of the US is to not let China and Russia "write the rules out for the Asia-Pacific region" (Wang 2016: 458-9).

1. Mercantilist Endeavors

As the Chinese economy has slowed down since 2012, there is a vital need for China to spur growth, including in its laggard inner provinces. The BRI has been described as a "mercantilist endeavor" to find alternative overseas markets (Rolland 2017: 130; Wang 2016: 456-7).

The other important reason is the dependency on oil from the Middle East. Since 2013, China has been the largest net oil importer with its quota for crude oil dependence at 58.6%, compared to only 34.6% in 2003. Dependency on energy, oil, and gas will be 25%, 70%, and 50%, respectively, until 2030 (Zou 2015: 113). Also, an average of 56 percent of China's crude oil imports came from countries within the OPEC and through sea lanes, which are controlled by the United States. Energy policy, therefore, became an important variable in Chinese foreign policy. Besides this, the US still holds power over the pricing system for commodity transactions, or the so-called "Asian Premium", in the exchange of oil, and the US dollar is still the dominant currency while the Chinese renminbi (RMB) is significantly weaker. Therefore, determining how to change the origins, methods of transportation, and dollar-denominated prices are very important issues to China (Zou 2015: 115). Along the historical Silk Road, Middle East dependency on silk and porcelain was higher than China's dependency on spices, but China is much more dependent on oil now than the Middle East is on goods made in China.

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In order to solve these problems, China needs to take a three-dimensional approach: 1) infrastructure, including transportation and pipelines; 2) trade, such as liberalization, facilitation of international road transport, and logistics²; and, finally, 3) monetary aspects and funds, like the Asian Infrastructure Investment Bank (AIIB) and internationalization of the RMB. For the Chinese regime, maintaining economic growth is essential for preserving social stability and regime security (Rolland 2017: 131).

2. Political Calculations

As for political calculations, China has several intentions: becoming a great power as well as asserting its own interests and avoiding possible obstacles to the “core interests” they have defined. First, as one Chinese scholar explained, since the United States does not want to give up its control of essentially everything, China must rise to great power status within the existing, and in many respects still US-dominated, system (Wang 2016: 461).

Besides this, China must meet its development goals without accommodating the US’s preferences so much that it surrenders its strategic autonomy to Washington. Keeping a low profile and nurturing codependency has also meant tolerating US assertions of hegemonic prerogatives, which are often against Chinese interests (Leverett et al. 2016: 116-7).

The BRI could also be a way to alleviate the problems associated with the three evils (separatism, terrorism, and extremism). For example, by prompting growth in Pakistan, China wants to blunt the spread of Pakistan’s terrorists across the border into the Xinjiang region, where Uyghurs reside. China can enjoy the military benefit of having access to the Gwadar Port, too (Perlez et al. 2017).

Also, China hopes that roads, railways, industrial hubs, and increased trade will strengthen and preserve the authoritarian governments along the Silk Road. These regimes are seen as friendlier, more predictable, and more susceptible to Chinese influence than democratic governments (Rolland 2017: 132).

3. Chinese Intentions in a Geopolitical Sense

Scholars use geopolitical theory to conclude the intentions of the BRI with spatial, welfare, emotional, and normative spaces (Mo 2016).

Concerning spatial spaces, China tries to avoid direct conflicts with the US and US containment.

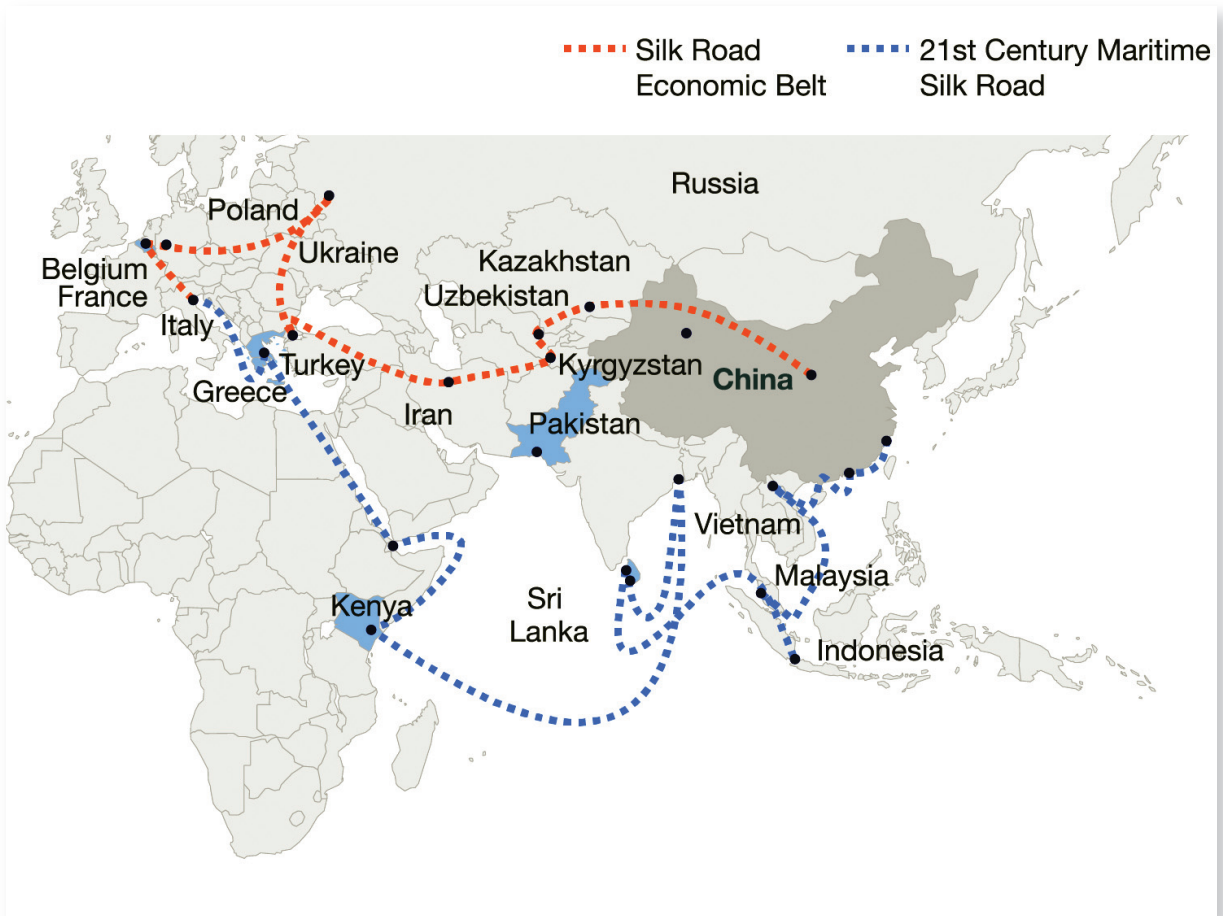
As for welfare spaces, China wants to fulfill regional cooperation with the Silk Road Fund and AIIB. If these countries become prosperous, they might support, or at least not impede, China’s strategy.

As for power spaces, China wants to increase its influence and power not only to counter the US (for example, the AIIB) but to fulfill the Chinese Dream as well.

Regarding emotional spaces, China may use its soft power to influence the future elites of other countries. For example, 29 states and 114 universities joined the University Alliance of the Silk Road in Xi’an in 2015. Through academic bonds, they might form positive relationships with China and then adjust their government’s China policy when they become political elites someday.

The final aspect is normative spaces. Using the historic Silk Road as collective memories and identities of countries on the road, China uses constructivist discourses like “peaceful resolution of disputes” or “peaceful rise” to persuade other states that China won’t be a hegemon, or an imperialist like many countries worry.³ However, concerns about China always exist, and critics don’t agree on China’s normative narratives. Rather, some even consider that the heart of the BRI is “debt-trap diplomacy” and that the BRI is a smokescreen for strategic control (Perlez et al. 2017). Many believe that “China oversells the benefits of these infrastructure projects, offers credit for them on onerous terms, and when the bill comes due and its debtors aren’t able to pay, demands control over infrastructure and influence in the region to compensate” (The Editors 2018).

With such a big plan and diversified intentions, the costs, however, “could also come back to haunt China, whose banks are being pressed to lend to projects that they find less than desirable... Over half of the countries have credit ratings below investment grade” (Perlez et al. 2017). It won’t be so easy for China to continue such a big plan, as over 1,000 years ago the Silk Road decayed when the Tang dynasty was not capable of upholding the system due to being unable to offer funds and maintain security on the route. As it is happening right now, due to the conflict between China and the US on trade issues, China has reduced its investment in the BRI. Some of the countries in the Belt and Road Initiative regions are US allies who have incentives to seek confrontation with China. Some countries, such as



India and Russia, are themselves historical and future regional rivals of China who are striving to expand their own spheres of influence, and some countries are fence-sitters ready to benefit from the underlying China-US rivalry in Asia and beyond (Cheng 2016: 311). Hence, though China has its intentions to broaden geopolitical spaces, it is still hard for China to offer mutually beneficial outcomes if they cannot continue playing a leadership role in providing funds or public goods that benefit participants. And this result will affect the BRI alternatives of Turkey because Turkey may need support from China while it is facing multiple threats.

Middle Corridor and the BRI

For many years, Turkey has proposed the Middle Corridor Initiative, which aims to set up a transport route from Anatolia to Central Asia and China. With the completion of the Kars-Tbilisi-Baku railway, which was inaugurated on October 30, 2017, Turkey has achieved its goal of connecting its national railways to the Trans-Caspian International Transport Route (TITR) (Guo et al. 2018). Starting from Turkey, the route goes to Georgia and Azerbaijan (via railway) and then through the Caspian Sea (via ferry) to

Turkmenistan and Kazakhstan. It is expected to initially carry 11 million passengers and 6.5 million tons of freight annually, but its leaders hope to reach 30 million passengers and 17 million tons of freight by the year 2034 (Ministry of Foreign Affairs 2018).

Via this railway, these connections can also lead to the Lapis Lazuli Corridor, which was built by the United States with Turkish and other regional governments' assistance in order to serve as a supply chain for US military actions in Afghanistan (Devonshire-Ellis 2018).

Kumport Terminal is also a target of cooperation between Turkey and China, as is a modern container facility in Turkey's Ambarli Port Complex that's located on the northwest coast of the Marmara Sea on the European side of Istanbul. The Chinese company, Cosco Pacific, plus the Greek Port of Piraeus and synergies between the two ports, could also help ensure China's long-term presence (Knowler 2015: 42).

Thus, on November 14, 2015, during the G20 Summit in Antalya, Turkey and China concluded a memorandum of understanding on aligning the Silk Road, 21st Century Maritime Silk Road, and Middle



Corridor Initiative in order to harmonize Turkey's Middle Corridor vision with China's BRI. In short, Turkey and China will benefit from this. However, like what was discussed in the above section, China's intentions are more than economic, as the Asian giant also includes conditions, especially some core strategic interests involving cooperation.

Turkey also wants to be an energy corridor. Yet, the country's aspiration depends on;

the Trans-Anatolian Natural Gas Pipeline (TANAP) project, which will bring gas from Azerbaijan's Shah Deniz gas field to Turkey;

the Turkish Stream, a pipeline developed as a Russian move against the EU;

a possible Israeli natural gas pipeline; as well as pipelines from Iran and Iraq (Tastekin 2018).⁴

The West is still the major economic partner of Turkey. According to data from the European Commission, the European Union is still the largest import (39%) and export (48%) market for Turkey; for imports, China comes in at second at 12.8%. However, for exports, Iraq (5.4%) and the United States (4.6%) come in at second and third place, respectively

(European Commission 2017). On a market-based basis, it is much more important for Turkey to have relations with the West than China.

For foreign direct investment (FDI) inflows into Turkey, the top ten investor countries are the Netherlands (13.9%), United Kingdom (13.8%), Azerbaijan (9.5%), Germany (6.2%), Spain (5.9%), United States (5.7%), Qatar (5.4%), Austria (5.2%), Switzerland (5.1%), and Japan (4.8%) (Turkish Ministry of Economy 2017: 15). Although FDI flows from other regions have been rising, EU Countries, or the West in a broader sense, have sustained a long-lasting dominant share.

Therefore, because of the importance of the United States and their historical alliance in the international system, as well as the interests from traditional alliances (i.e. the West), Turkey, even in a realist sense, would not need to join other groups if the United States could pay more attention to the security and political interests of Turkey. The United States' grand strategy will also not benefit if it loses Turkey.

However, at the state level, Turkey cannot avoid cooperating with Russia and China on regional issues. The Middle Corridor Initiative is an important project

in Turkey and the country will benefit from it. Therefore, we can see why the Turkish government is faithful to the One China Policy when Turkey talks about cooperation. Also, because the Turkish Stream is still under construction, Turkey has chosen to be careful on issues related to Russia.

From a realist viewpoint, cooperation between Turkey and China on the BRI should be realized. China has its own intentions and strategies to turn itself into a great power in the future through certain discourses, such as projects being "mutually beneficial" or China is merely enjoying a "peaceful rise", which I call "realist intentions with constructivist words". Turkey, in a realist lens as well, should by no means neglect its own interests, as President Erdoğan highlighted the importance of rebalancing bilateral trade during his 2015 visit to Beijing.

However, when comparing goods, China still holds many advantages. Turkey's top exports to China in 2017, other than mining and quarrying, were fabrics (7.4%), chemicals (9.8%), machinery (6.6%), and metal products (4.1%). The very same products constitute China's top exports to Turkey; yet, the deficits stem from China's comparative advantage in producing similar goods (Guo et al. 2018). The issues of the Chinese government's violations of human rights in Xinjiang or its conflicts with the Uyghurs will also play a role in the process of cooperation.

Hence, are there any other alternatives for Turkey? Of course there are. As we have seen in the foreign investment inflows into Turkey, Turkey could find more cooperation opportunities or could broaden cooperation with traditional allies, like Japan, South Korea, or even Taiwan in order to extend its market to Asia. Turkey has the energy and conditions to become a middle power, or even a highly influential power in the future. However, it is still not a good time to change from one alliance to another; rather, broadening its cooperation with as many countries as possible is the better option. If the West or even the government of the United States can better understand Turkey and pay her more attention, the resulting situation will not necessarily be a problem for both countries, nor will it be a problem for the BRI and Middle Corridor in a multilateral cooperation manner. As Nora Fisher Onar (2018) said, the success of any such routes and commitments depends on the complicated new great game across Eurasia. And one should pursue synergies and leverage rather than abandon extant institutional relationships (187).

Turkey, with its special history and geography, cannot avoid strategies connected to "Euroasianization". I would not agree with Yanik's (2011) label of "Turkish exceptionalism", which focuses on its past identity. I would rather much more prefer to say it is a stage of "authenticism", meaning its pursuit of an idiosyncratic

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path to prosperity and power, as this entails neither sameness nor difference with the West but an eclectic synthesis (Onar 2018: 182).

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Endnotes

- 1 Professor Selçuk Colakoglu from Turkish Center for Asia-Pacific Studies and Professor Altay Atli agreed on the importance of the BRI and economic and rail corridors to Turkey in their interviews (Dal 2017; Wang et al. 2015: 76-77). This was also evident during the interviews I did during my stay in Ankara in 2018, especially Turkey's role in Eurasia. Some scholars expect Turkey to become a middle power, or important actor, in the future due to the BRI (Kadilar et al. 2017: 88-90; Şensoy 2016).
- 2 The Agreement on International Road Transportation Facilitation was signed by the governments of the Shanghai Cooperation Organization (SCO) member states in 2017. A Joint Communique of the SCO's heads of state was declared on June 9-10, 2018, that supports work to simplify trade procedures, thereby decreasing the number of customs formalities on importing, exporting, and transiting goods (SCO 2018).
- 3 For example, the contract with China Harbour Engineering was expensive. Since Sri Lanka couldn't afford it, they borrowed money from the Export-Import Bank of China; \$307 million at first, then \$700 million, and in the end \$1 billion. Finally, they decided to cede sovereignty over the port to China (The Editors 2018).
- 4 However, on July 20, 2018, Russia, Iran, Azerbaijan, Kazakhstan, and Turkmenistan signed a protocol in Moscow, which gave Russia and Iran the right to delay the Trans-Caspian project, a pipeline that will carry Turkmenistan's gas and Kazakhstan's oil to Europe (Tastekin 2018).