

“ONE BELT ONE ROAD” INITIATIVE: PERKS AND CHALLENGES FOR TURKEY

The People’s Republic of China has embarked on an initiative that could be the biggest infrastructure project for years to come. The project aims to strengthen commercial ties between nations, connecting Chinese cities to the rest of the world. The ambitious agenda of the initiative has already begun to materialize, as seen in the railroad connections springing between Europe and China. The Turkish public is relatively unaware of the extent of the initiative, and Turkey’s role in it. The authors argue that Turkey should refrain from being ambivalent towards the project and maintain a constructive approach in facilitating both the construction and operation of the One Belt One Road (OBOR) Initiative.

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The Silk Road was an ancient goods and information trade network spanning Asia and Europe. The interaction that these communities in both continents enjoyed brought prosperity and innovation; cities flourished, along with the expansion of science and arts. The commerce that traveled between continents left an artistic legacy that still makes its appearance in forgotten caravanserais of Asia today. With the movement of inventions, ideas, and commodities, the Silk Road laid the groundwork for the progression of humanity for centuries to come.

A modern day parallel can be drawn to China's undertaking of an ambitious initiative which aims to connect different parts of the world with a rail network. Unveiled in 2013, the initiative began delivering goods to Europe after just four years. Keeping in mind that railroads are costly and time-consuming investments, this rapidity should not be taken lightly. The One Belt One Road (OBOR) Initiative, which was launched under the Presidency of Xi Jinping has already connected more than a dozen European cities such as Madrid, London, and Hamburg with Chinese manufacturing hubs like Yiwu, a city in central Zhejiang province, China. The Yiwu-London rail has proven to be the most efficient in terms of reducing total transportation time, as the journey takes 18 days, a stark contrast with the 30-45 days by sea. Although the OBOR line is superior in terms of travel time, the costs are higher compared to sea transportation. Thus, the rail transportation that the OBOR line will provide will not decrease the sea transportation volume significantly, but instead will reduce the quantity of air transport since it is less costly to transport heavy but urgent shipments by rail.

Keeping the above-mentioned facts in mind, it is easier to see what gap the OBOR line will fill in terms of logistics. In a world in which rapid delivery is vital for the functioning of economies, a faster and reliable mode of transportation route can reinvigorate the ancient network of trade routes that connected China and the Mediterranean.

Turkey's Role

As Asia Minor provides an easy passage between continents, Turkey's position is vital for President Xi's ambitious initiative. China has been taking steps to ensure Turkey's involvement, and the fact that Turkish President Recep Tayyip Erdoğan and Minister of Foreign Affairs Mevlüt Çavuşoğlu were present at the OBOR summit held in Beijing is an important sign of Turkey's willingness to be included in the initiative.

Throughout history, trade routes came through many directions, but in the case of the OBOR Initiative, two routes are possible:

- Through the Caspian Sea, Azerbaijan, and Georgia
- Through Pakistan and Iran

Both routes can function simultaneously, and as with the OBOR Initiative, the important thing is not only the destination but the extension of the railroad linkage around the world. It is key to note that the most plausible scenario for Turkey would be for both routes to operate through its territory.

The region surrounding Turkey is not known for its politically stable atmosphere. Three out of its seven neighbours have experienced war in the last 10 years: the Georgian-Russian War of 2008, the Iraqi Civil War of 2014, and the Syrian Civil War of 2011. Two of these conflicts are still ongoing, and several other countries in the region

“Turkey’s geographical position is vital for President Xi’s ambitious ‘One Belt One Road’ Initiative.”

have been riddled by civil wars and foreign interventions. The Middle East in particular has been unstable throughout the 21st century, and it appears it will remain this way for the foreseeable future. The conflict in the Caucasus, for example, has shown that the mountainous region can slide into violence very easily if its frozen conflicts become active, just like after the dissolution of the USSR. The region, in short, is not a haven for stability. With this in mind, one can offer two equally legitimate points of view regarding OBOR investment in the region: Either the region is too unreliable to base a commercial route through, or, the instability of the region could be improved by investments and commerce. The former seems plausible in the short-term, but the long-term effects of leaving a war-stricken part of the world without reconstruction will not improve conditions. The affected regions should undergo a program of reconstruction and be reincorporated into the international order. If not, the international community will continue to face the influx of refugees, the mushrooming of terrorist and extremist organizations, and an overall security threat to the world order. Thus, it seems more plausible to choose the latter path of reconstruction through investment and commerce in the region.

Turkey can benefit in numerous ways from this equation, especially since it wants to have a stronger influence on the region’s developments. It has taken on several attempts to this end. One was an economic approach that proposed the use of the

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Turkish lira as the regional currency and trading currency between trading partners, which could have been inspired by the statements of the Central Bank of China. Secondly and most recently in Syria, by offering a buffer zone on the Turkish border, which was proposed in 2012. However, Turkey has proven to be unsuccessful in fulfilling this objec-

tive through a diplomatic approach, and has shown signs of military inefficiency in its dealing with multi-actor conflicts, such as the one in Syria.

The OBOR Initiative can provide Turkey with an opportunity to enhance its regional role, which would have a more reconciliatory mode as its neighboring countries would be more co-dependent through trade and increased interconnection. In a region where militarized and terminally closed borders (i.e. the Turkish-Armenian border) are still realities, the OBOR Initiative will provide an opportunity to strengthen relations between regional countries, and possibly resolve their differences in a peaceful manner.

In the OBOR’s initial stages, Turkey could provide a safe haven for capital and goods in the relatively unstable region. The fact that Turkey has a stronger currency than Iraq, Syria, Lebanon, Georgia, or Azerbaijan and, in contrast with Iran, faces no economic sanctions, means that it can be a locomotive force for development in the region. This is why Turkey should improve its positions in the OBOR Initiative and have a more constructive attitude towards the project.

By incorporating multiple actors into the equation, the OBOR Initiative has the potential to positively impact power balances in the region. Railroads value continuity; trains reach their destinations only if the railroad goes on uninterrupted. Thus, we can deduce that all who would benefit from a railroad linkage would oppose a conflict that could potentially delay or stop the movement of goods. This would result in stronger interdependence, which would make a conflict or a war less likely as it would disrupt trade along the railroad line. Increased commercial activity between regional actors and the involvement of international powers would make the region more stable, as both sides would suffer from a possible disruption in commerce.

By providing employment and growth to the host countries’ economies, the OBOR Initiative will ensure sustainable growth and a general increase in living standards will be observed in underdeveloped areas in between Asia and Europe. It is also important to note that during the Beijing Summit for OBOR in May 2017, Turkish

President Tayyip Erdoğan stated: “The OBOR Initiative and the projects alike that build infrastructure would put an end to terrorism.”

Another reason why Turkey should be participating in this initiative is that it would risk being bypassed otherwise. There are two ports on the Black Sea coast – Anaklia, Georgia and Constanta, Romania – that might divert the movement of goods around Eurasia, bypassing Turkey. The Memorandum of Understanding signed between Egypt and China is also worth mentioning,

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since sea transportation through the Suez Canal will even be more important with the Canal’s possible enlargement with Chinese financial help. Therefore, it would only be logical for Turkey to diversify its logistics options, so as to keep its historical importance in the movement of goods.

The OBOR line could provide Turkey with access to Central Asia, where Turkish construction firms have already been operating for decades. Turkey’s exports could be supplied to Central Asia at a much quicker pace, and the country’s desires to have closer political ties with Central Asian states such as Kazakhstan, Turkmenistan, Kyrgyzstan, and Uzbekistan could be satisfied. Exporters from Turkey have no other option but to go through Russia or Iran, as Central Asian states are landlocked. Crossing from Baku to into Türkmenbaşy, the capital of Turkmenistan and Aktau, Kazakhstan’s capital through the Caspian Sea is possible, but with low-frequency freight ships. With the OBOR line passing through the Caspian Sea, transportation costs will drop as the efficiency of logistics improves. From this point of view, the OBOR Initiative could provide a vital link for Turkey to achieve its previously-failed desires due to access restraints. The OBOR Initiative would be helpful in supplying the Central Asian market with Turkish export products, and strengthen ties.

The OBOR line passing through Turkey would also provide easier access to the Balkans and countries bordering the Black Sea for Chinese exports. These countries include Ukraine, Romania, Moldova, and Bulgaria. To reach these countries by sea from China, a ship would need to embark upon a journey through the Malacca Strait, the Hormuz Strait, the Suez Canal, the Dardanelles, and finally the Bosphorus. A direct railroad through Turkey may prove to be cheaper and faster.

The 14-15 May 2017 OBOR Summit in Beijing was an important juncture for the

position of Turkey in the Initiative. Although the impact of the Summit in Beijing is still unclear, the positive and constructive wording used by the Turkish side is laudable. It is also important to note that Turkish audiences have not heard much from the Turkish administration until this point about the OBOR Initiative.

Conclusion

The Turkish government should have a constructive approach to the whole process and should show its willingness to assume leadership in the region if needed. If we think about the position that Egypt is taking by organizing direct contact between states, Turkey is no less eligible for such a position in the region. It should not be forgotten that too much ambivalence on the Turkish side might end up worsening the hand of Turkey, instead of strengthening it. An agile agenda should be set to show the country's willingness to participate in this initiative and it should be undertaken with efficiency to show to the international community that Turkey is ready to work quickly and diligently. This agenda could include:

- The Baku-Tbilisi-Kars Railroad that is going to connect three countries has been under construction since 2010. Every passing year that the railroad is not finished erodes the reputation of Turkey in this initiative. It is imperative that Turkey complete its 70 kilometer-long railroad immediately, and the fact that the Azerbaijani and Georgian sides have completed their parts does not bode well for Turkey.
- Turkey should start its custom harmonization process with its neighbors to ease the passage of goods through borders.
- Turkey should try to diversify its export base and explore the possibilities of increased trade with Central Asian nations.

China's modern silk road project is shaping out to be the 21st century's biggest infrastructure investment yet, which will strengthen economic linkages between participating countries. Turkey's support of the project can significantly contribute to Turko-Sino economic and trade ties, as well as enhance diplomatic relations between Ankara and Beijing. Ankara's take on this ambitious project will be crucial for the above-mentioned effects to take place. Turkey must keep a constructive and clear attitude toward the OBOR Initiative and show its enthusiasm. Turkey's attendance at the Beijing Summit was an important step, but ensuing measures such as the ones listed above, should be taken to put the wheels in motion as soon as possible.