



Economic Belt of the Great Silk Road: Ideas and Problems

Speaker - Prof. Khojamakhmad Umarov, Head, the Department of Macroeconomic Research at the Institute of Economic Studies of the Ministry of Economy and Trade, Republic of Tajikistan

Chair- Prof. Alka Acharya, Director, ICS.

22 April, 2015

**Institute of Chinese Studies
Delhi**

Chinese President Xi Jinping in September 2013 announced the idea of building the ‘economic belt of the great silk road’. He highlighted that the prime motive behind launching this initiative was the enhancement of connectivity and a brighter future of the Southeast and the Central Asian countries together with China. The Asia Pacific, the Indian Ocean Region and India have all been wary of this particular move of China. The issue has also been highly discussed and debated in many forums including conferences and seminars. The speaker in his presentation drew attention to the several new complex areas that need to be addressed with regard to the Chinese initiative of the economic belt of the Silk Road.

Umarov at the very beginning highlighted how Central Asia has become a subject of geopolitical games in the hands of three countries, namely, US, China and Russia. The major question as well as concern which he seems to grapple with is – how the common masses of Tajikistan in general and Central Asia in particular would benefit from the ‘economic belt of the great silk road’? He referred to history to provide testimony to the fact that regional economic integration has been both useful and beneficial. Within this context he mentioned about the Soviet Union, an integration that was more political in kind, under which Tajikistan was both socially and economically better placed. He went on to state that many Central Asian countries including Tajikistan were highly developed in terms of its industrial and

agricultural sector before the collapse of the Soviet Union. He further revealed that the political elites of Tajikistan share similar attitude with their Chinese counterpart and favour the idea of 'the economic belt of the great Silk Road'. However, the common masses of Tajikistan, according to Umarov, do not view the formation of the economic belt in a positive light. This unfavourable attitude of the common masses of the Central Asian countries and Tajikistan in particular, comes from the general belief about not being able to reap the economic benefit that could be an outcome of this mechanism. As common people, their needs are much more elementary and socially oriented.

Coupled with this issue, the problem that is being faced with regard to the economic belt are the hidden intentions of China behind its formation. He also pointed out how several economists have been arguing along similar lines with regard to the matter. Umarov also underlined the fact that not all countries along the economic belt share similar opinion. While the majority of the population in Tajikistan is distrustful of China's moves, there are other countries who favour the settlement.

Delving into the details, the speaker shed light on how large-scale extraction of the mineral resources, particularly gold from Tajikistan and other Central Asian countries is taking place through the actions of the Chinese government. He mentioned that in the past few years, majority of the gold deposits have been subjected to severe exploitation by the Chinese companies in Tajikistan. Umarov informed that data with regard to these massive extractions of gold and other minerals are either non-existent or inaccessible. He foresaw a similar kind of exploitative move by China in the near future with regard to extracting silver from the Central Asian countries. This move of China is reminiscent of how the British East India Company siphoned off the raw materials out of India and made it a recipient of the expensive finished products. This Chinese agenda also conforms to the core-periphery model propounded by Immanuel Wallerstein, wherein the core countries tap resources from the peripheral regions and reap the benefits themselves.

Further in his presentation, Umarov outlined the points of distinction in the US perspective with regard to the Eurasian Economic Union and the Economic Belt. Within this context he mentioned how the US opposed the very idea of the Eurasian Economic Union and regarded it as a move towards the restoration of the USSR whereas it remains silent towards the Chinese initiative of economic belt of the Silk Road. The speaker contended that China,

through the economic belt and its other objectives that are primarily economic in nature, wants to replace US as the world superpower and emerge as the new hegemon. He supported this claim by bringing into picture the high growth rates that China has been registering in the past few years.

In the concluding part of his presentation, Umarov highlighted how mutual trade and cooperation could be established between the Central Asian Countries, particularly Tajikistan and the South Asian allies, such as India. He underlined that Indian equipments could prove to be of great benefit for Tajikistan. At the same time India could also engage in importing fruits, mainly grapes and apples from Tajikistan which could find a lucrative market in India.

Discussions

Umarov's presentation laid out many aspects and complex issues that require attention with regard to the 'economic belt of the great Silk Road'. The speaker was questioned on several issues ranging from how Tajikistan would benefit from the Chinese project on pure economic terms, to questions about which country he perceives as a real threat – China, US or Russia. To the question on whether Tajikistan is being benefitted by the extraction of minerals and ores by the Chinese government, the speaker mentioned that while China might be investing a great deal in mineral resource extraction from Tajikistan, it has failed to generate any kind of employment among the common masses. In the sectors of mining of gold and other precious stones and minerals, China has so far been the sole beneficiary. About the question of threat, he ranked, US as the major threat compared to China.

Another important query was about the options that Tajikistan had in the given scenario. He was asked whether Tajikistan had any alternative other than siding with China as the little development and growth that has been registered by the country is due to the presence of China. The speaker responded by putting forward his views on the foundational principle that possibly underlines the mechanism of the economic belt of China. He remarked that although China, within its own country believes in the idea of state regulation in all sectors, it does not follow the similar strategy of socialism when dealing with its neighbours or other nations. According to the speaker, the economic belt is purely based on the ideology of neo-liberalism which is completely opposed to the idea of Socialism. He does agree that his country is yet to enhance and foster its development. However China, according to him, does not seem to be the best nation that could truly ameliorate the conditions in Tajikistan. He also contended that

there could be more polarization in the views of the countries along the economic belt once there is greater knowledge about the true intentions of China in forwarding this deal.

Instead, he reiterated his belief that trade cooperation between India and Tajikistan could lead to mutual benefits. In this context, he mentioned that people of Tajikistan can better identify themselves with the Indians due to the common food habits as well as some sort of linguistic similarity that exists between the nations. While there were members in the audience who tried to highlight the futility of looking to India, the Chair, Alka Acharya, drew attention to the spirit and forward looking vision of the speaker. And the need to look into the speaker's exhortations for a greater role for India.

Report prepared by Minakshi Biswas, Research Intern, Institute of Chinese Studies.

About the Speaker:

Professor Khojamahmad Umarov heads the Department of Macroeconomic Research at the Institute of Economic Studies of the Ministry of Economy and Trade, Republic of Tajikistan. He is an alumnus of the prestigious Academy of Sciences in Moscow and has delivered lectures at the universities of Moscow, London, Stockholm, Cairo, New Delhi and Prague. Prof. Umarov has authored over twenty books covering topics like labour migration, rural economic studies, Tajikistan-India trade relations and Tajikistan's trade potential in the global markets. A former faculty member at the Tajik State University, Prof. Umarov was involved in the monitoring of Tajikistan's progress in achieving the Millennium Development Goals of the United Nations as well as several other projects with international organizations.

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