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THE CHINESE INITIATIVE "THE BELT AND ROAD": A GEOGRAPHICAL PERSPECTIVE

ABSTRACT. "The Belt and Road" is a long-term comprehensive strategic program for the development of Eurasia and the world, which has been promoted by China beginning in 2013. Its multi-dimensional features (in-country, regional, and global) are inclusive (multi-vector, the participation of all sectors of the economy) and have a strong non-economic component ("soft power"). The strategy is aimed at solving the problems of the Chinese economy with the help of foreign-policy methods and consolidation of China as an engine for the global economy. By virtue of its scale, the consistent implementation of the strategic provisions put forward in China would result in significant industrial and geographical transformations of the existing international division of labor. Active and proactive participation of Russia in the new course of China allows realization of the export and transit potential of Russia's economy and helps mitigate imbalances in development between its parts. The authors discuss the concerns and risks associated with the implementation of initiatives.

KEY WORDS: the Belt and Road, initiative, geographical perspective, industrial and geographical transformations, the global economics engine.

CITATION: Kolosov V.A., Dong Suocheng, Portyakov V.Ya., Chubarov I.G. , Tarkhov S.A., Shuper V.A., (2017) The Chinese initiative "The Belt and Road": a geographical perspective. Geography, Environment, Sustainability (GES Journal), Vol. 10, No 1, p. 5–20.

DOI: 10.24057/2071-9388-2017-10-1-5-20

INTRODUCTION

"The Belt and Road" is the largest international initiative ever put forward by the Chinese leadership. Over the past two or three years, it has gradually occupied an important place in the international projects of the Chinese leadership and now actually plays the role of a full-fledged strategic and foreign policy in most areas of China's affairs [Debin DU, Yahua MA, 2015]. At that, the institutionalization of the process is gradual and has not been completed to date, and the strategic objectives and methods are being gradually refined over the course of its implementation [Uyanaev, 2016].

First proposed by China's President Xi Jinping in 2013 [Chinanews.com, 2013], the initiative of a broad economic and trade cooperation in the zone of the land and maritime Silk Road routes, that is, in fact, the entire Eurasia and Africa, has immediately aroused interest in many countries. Because at the initial stage the proposal of China's leader did not have

a clear-cut framework, the assessments of its scope and potential area of implementation differed. Some researchers regarded the "Belt and Road" idea as a confirmation and consolidation strategy of developing the western regions of China [Larin, Matveev, 2014]. Others thought that its main purpose was establishment abroad, especially in the neighboring areas, of transport infrastructure, facilitating the export of Chinese goods to the world market. The roots of the initiative, thus, were seen in the ongoing, for more than a decade, Chinese "outward" business strategy [Sazonov et al., 2015].

The speech by China's President at the Boao Forum in March 2015 and the subsequent publication of the document "Vision and Action on the Joint Construction of the Silk Road Economic Belt and the Maritime Silk Road of the 21st Century," prepared jointly by the National Development and Reform Commission, Ministry of Foreign Affairs, and the Ministry of Commerce of the People's Republic of China, have clarified many issues [Vision and Actions…, 2015]. It became clear that this is a long-term project of global proportions, which may involve the states of three continents – Asia, Europe, and Africa. The "Belt and Road" can be regarded as a concept of China's response to advancement of the previous US administration's projects of the Pacific and trans-Atlantic partnership. There is also a desire to make greater use of external economic ties to boost economic growth and ease the situation with the overproduction of many types of investment products in China.

With all the abundance of publications and presentations on the topic of "The Belt and Road," this concept is still cannot be considered in its final shape. And in China and beyond, there are different views on the concept's content, spatial coverage, objectives, and ways of achieving them. The country has more than a hundred of expert centers specializing in the problems of the "The Belt and Road" [China's Belt and Road initiative …, 2016]: researchers in international law, political scientists, economists, and social scientists regularly share their views on the essence of the project with the leadership and the public. This institutional latitude affects outside assessments of the project and its parts. Chinese geographers also participate in the process; they are actively involved in the formulation of the national policy and provide scientific support for the development of specific intergovernmental agreements. Topics of their work in the area of the "The Belt and Road" strategy mainly relate to issues of geopolitics, geography of foreign countries, trends and practices in foreign direct investment and foreign trade, as well as transport geography [Liu W.D., 2015]. The Chinese government encourages research aimed at supporting the most effective options for the implementation of the strategy. The goal of this study is to discuss the global geo-political and geo-economic importance of the China's initiative and its main focus and to outline some geographic problems of scientific support.

"THE BELT AND ROAD" AS A NEW PHASE OF GLOBALIZATION

The scale of the initiative put forward by China does not allow ignoring its geo-political significance for the world economy as a whole. Formation of the international geo-economic and geo-political landscape is often associated in geography with the alternation of integration and disintegration of the world economy development cycles [Sintserov, 2000]. Thus, any integration, according to B.N. Zimin, is forming around a leader who shapes it largely as "he/she sees fit." The first global integration cycle – *PaxBritannica* – lasted from the middle of the XIX century to 1914. It was followed by the first global cycle of disintegration that involved the two world wars with two decades in between. The second cycle of global integration – *PaxAmericana* – began in 1945, when the US economy accounted for half of the world's one. The crisis of 2008 may be roughly assumed to represent its end. It is possible that after about two decades of turbulence in the "multipolar world," *PaxSinica* may be

established on the planet. The "The Belt and Road" strategy is precisely, in many ways, the first attempt to outline features desirable for China in the new phase of globalization and to find the ways for its practical implementation.

What are the characteristic features of "The Belt and Road" concept considered in a wider aspect than just the strategy of strengthening regional integration in Eurasia and as a fully-fledged alternative model of globalization? According to a number of Chinese authors [Liu, Dunford, 2016; Du Debin, Ma Yahua, 2015], the promotion of the "Big" strategy means the completion of a stage where China influenced the course of globalization passively, merely by the fact of its participation in it. The major declared principles of "Chinese-style globalization" are peace, cooperation, development, mutual benefit, and, most importantly, diversity and justice. China intends to transition to the new stage not through the demolition of the old model but through its gradual improvement towards the enhancement of the free movement of goods and capital across the globe. The five major areas of international cooperation are coordination of economic policies, infrastructure integration, removal of trade and investment barriers, and drawing together peoples and cultures.

In the new phase of world economic development, China strives to modernize its industry and to renounce environmentally harmful low-profit industries in favor of production of cleaner products with higher added value. For other developing countries, it is an opportunity to host the industry removed, hold export-oriented industrialization, and achieve the same success in the fight against poverty, which has been gained in China. However, for this, these countries must have the appropriate financial and institutional capacities. China is ready to provide partners with cheap money and institutional assistance (development planning, management training, consulting, etc.) in exchange for benefits for Chinese companies that export their business and their participation in all stages of the modernization of the partners's economy, from roads and seaports construction projects to technology clusters management. In the construction projects overseas with the use of Chinese labor and Chinese funds, money may not even travel outside of China, and therefore, the economic effect is nearly identical to the implementation of projects within the country. Therefore, the market for Chinese goods and services may be expanded, and the Chinese economy will move up the value chains – from production to the foreign asset management. Among other things, the growth of the wealth of people in developing countries will create a powerful additional demand for low- and medium-price segment consumer goods produced by Chinese firms.

Of course, the export of production from China to other countries is gaining momentum even without the intervention of the state, but the "The Belt and Road" strategy aims to ensure the leading position of Chinese companies in the process. This means a new stage of development of the country, when it is gradually emerging not as a "world's factory" but as a global investor. It took more than three decades for China to achieve a development-management and business-skills level acceptable to do business overseas and to prepare a significant number of suitably qualified staff. The success of the strategy will trigger a second wave of migration of labor-intensive industrial production in the world economy, this time from China to other developing countries and regions. Inevitable (due to the aging population and the increase in wages) reduction in the number of workers in China will be offset by the industrialization of less developed countries (according to some estimates, the introduction of advanced agricultural technology would free up more than 1.5 bln people).

With the consolidation of its position, China aims to offer to the world community its own approaches to the solution of global problems of economic development that are largely based on the theoretical understanding of

the experience of economic transformation in China [Borokh, 2016]. The world economy, especially in developing countries, needs to reject the neoliberal economic model which led to an increase in global inequality. Lessons from Latin America and Eastern Europe show that the only countries able to take full advantage of globalization were those that retained strong state regulation of development in the interest of the public and did not follow the ways of minimizing government intervention. In China, due to the gradual reform, institutions that allowed effective integration into the economic globalization were formed. Instead of the neoliberal globalization that is associated with the policy of laissez-faire, unbalanced development, growth of global inequality, deregulation of international markets, individual responsibility, and competition between unequal partners, China offers a new "inclusive" globalization, built on the principles of equitable development, mutual benefit, and shared responsibility, to create a more equitable global economic order. Developing countries should not reject market methods of regulation but supplement them with governmental mechanisms ("visible" and "invisible" "hands").

In terms of geopolitical dimension, the key principle of China's proclaimed approach is to abandon the political demands in the course of implementation of joint projects at the international level. No less important aspect is the increasing role of developing countries in global economic governance both through the changing role in the already existing institutions (IMF, World Bank) and the creation of new structures (AIIB, NBI, the Foundation of the Silk Road). Most likely, such a course of events would lead to greater dependence of the world economy on the situation in China.

The "claim" of China that it "leads" globalization has become particularly noticeable against the background of a number of important victories of Western politicians representing the interests of the population and sectors of the economy dissatisfied with globalization, including the victory of D. Trump in the US presidential election and Great Britain's exit from the EU. If there is a turn to protectionism in the United States, which for decades has been the most important driver of globalization and free trade, it will benefit China that is ready to pick up the baton [Why China could lead…, 2016].

GEOGRAPHICAL COVERAGE AND CONTENT OF "THE BELT AND ROAD" INITIATIVE

The unequivocal answer to the question of the spatial boundaries of the "The Belt and Road" strategy does not exist. Chinese authorities stress that the project expressed a desire to involve more than 100 countries and international organizations, and 30 of them have already signed relevant agreements [Xi calls for…, 2016].China welcomes the cooperation with all developing countries, including Central and South America. In practice, the "Belt and Road" region is assumed, as a rule, to include Asian countries (often with Japan and the two Koreas), Central and Eastern Europe (and sometimes the entire Europe), and North Africa (sometimes the entire Africa). For example, such an approach is used in the work of the Institute of Geographic Sciences and Natural Resources Research, Chinese Academy of Sciences. These scientists include in the "Belt and Road" 69 countries that account for 43 % of the land area (67.7 mln sq. km), 4.4 bln population, and 38.2 % of world GDP ($US 27.4 bln) [Dong Suocheng et al., 2016]. At that, it is necessary to take into account the vast differences in economic weight of the countries that create the objective conditions for a much greater dependence of most of the "Belt" countries on China than China on any of them.

The "Belt and Road" concept has its domestic component in addition to the international one; the concept is considered as a tool of regional policy to reduce the gap between the prosperous coastal part and the rest of the regions. Regional authorities and agencies are using the historical, geographical, and

institutional arguments to justify their key importance for foreign economic sphere of the entire nation and to raise additional funds for development [Zuenko, 2015]**.** One of the documents of the Chinese Ministry of Foreign Affairs refers to the following regions important for the implementation of the "Belt and Road" strategy: practically the entire northern part (Xinjiang, Gansu, Shaanxi, Ningxia, Qinghai, Inner Mongolia), the northeastern part (Heilongjiang, Jilin, Liaoning), the central part (Chongqing, Chengdu, Zhengzhou, Wuhan, Changsha, Nanchang and Hefei), the southwestern part (Yunnan, Tibet and Guangxi), Fujian, and the key coastal cities (Shanghai, Tianjin, Ningbo, Guangzhou, Shenzhen, Zhanjiang, Shantou, Qingdao, Yantai, Dalian, Fuzhou, Xiamen, Quanzhou, Haikou and Sanya) [Vision and Actions…, 2015]. Despite the abundance of geographical names mentioned by the officials, the experts agree that the most important element of the "Belt and Road," taking into account the national security matters, is the Xinjiang Uyghur Autonomous Region [Trops, 2016; Bazhenova, 2016.].

Thus, the specificity of the Chinese initiative is its multi-dimensional nature. South and Central America can only participate on a global level, while the Eurasian countries, in addition to national, are involved in regional projects. Neighboring states also participate in border projects tied to the development of the peripheral parts of China. Russia has supported the Chinese initiative and suggested its "coupling" with the creation of the Eurasian Economic Union (EAEU) [The Joint Statement…, 2015].

Let us now consider the key areas of the Chinese strategy, especially those of interest to Russia in terms of cooperation.

Transport. Despite the multiple aspects of the Chinese project, which includes a large number of industry-specific components, the transportation component has gained special significance in Russia and other post-Soviet countries. Apparently, this is due to deeply entrenched notions about Russia as a natural bridge between Europe and Asia, coupled with understanding of the insufficient level of development of transport infrastructure to fully implement this role. Open and specialized press actively discusses "where the new Silk Road will be." [see, for example, Zuenko, 2016].

The two key components of China's policy in the transport sector are: the construction of a new and modernization of the old road and rail transit routes between Europe and East Asia, as well as an overall increase in transport connectivity between the countries of the region. Despite its name, the "New Silk Road" has little relation to the actual historical routes of more than a thousand years ago. At present, China is in the process of creation and modernization of Euro-Asian transport routes in several directions simultaneously [Sazonov, 2016].

According to China's estimates, the total length of railways in 65 countries of the "Belt and Road" is 454.2 thou km with 1.33 trn tons and 5.6 trn person-kilometers of cargo turn-over and passenger traffic, respectively [Dong Suocheng et al., 2016]. However, in most countries of transit, the potential is not sufficiently realized. After completion of the construction of the railway Urumqi (Xinjiang) – Alashankou – Dostyk (formerly Druzhba, Kazakhstan) in 1990, it became possible to establish through railway service between sea-port Lianyungang on the coast of the East China Sea, through the Alashankou, the territory of Russia, and Rotterdam. The recent completion of several major highways has opened up new ground for the outputs of the Chinese exports to the countries of Central and Southwest Asia, Transcaucasia, and Europe. In 2012, a second railway line between Kazakhstan and China, through checkpoints Khorgas and Altynkol, was completed. In 2014, traffic started from the western part of Kazakhstan through Turkmenistan to northern Iran, bypassing the territory of Uzbekistan.

However, the transport connectivity of the center of Eurasia, including western China,

is still far from sufficient. The priority task in China is the construction of railways Korla–Golmud (will connect Xinjiang and Tibet) and Lanzhou-Chongqing; reconstruction of branches Jining (Ulanqab)–Erenhot in Inner Mongolia; development of the projects Aksu Kashgar,Hotan–Charklyk-LopNur, and Kashgar-Khunjerab pass (the border of China and Pakistan). Overseas, China intends to speed up the development of the construction of railways China–Kyrgyzstan-Uzbekistan and China–Pakistan, and also calls for early modernization of the Trans-Siberian and Mongolian Railways [China Railway Express Development Plan…, 2016].

The main obstacle for the development of the transcontinental rail freight traffic is its relatively high cost. Costs of marine transport are lower, although the journey time by sea, depending on the location of the cargo receiver, is two to three times longer, on average. According to calculations by China's scientists, the development of land-based logistics is most advantageous for the relations between the central and western regions of China, the Central Asian countries, and Russia, and, in the long term (as infrastructure improves and costs are reduced), with the countries of Eastern Europe [Mo et al., 2015]. However, taking into account the readiness of the Chinese government to subsidize the international railway transport capacity, the potential of land transit can be so much greater.

For the development of international rail freight traffic along the Silk Road, a single national operator has been created in China – China Railway Express (CRExpress). From 2011 to June 2016, the company transported 1881 freight trains with goods totaling $US 1.7 bln. Currently, there are 23 freight routes (Table. 1). The task by the year of 2020 is to increase the number of freight trains to 5000 per year and the overall share of the bilateral routes (now many only work in one direction). The plan includes the creation of three regular transport directions – eastern, central, and western. The eastern route will serve customers in northeastern and eastern China via Manzhouli checkpoint and the Trans-Siberian Railway. The central route will be in the central and southern parts of China through the checkpoint Erenhot, Mongolian Railway, and the Trans-Siberian Railway. The western route which will benefit the regions of the central and western part of the country consists of several major routes that pass through the checkpoints Alashankou and Khorgas on the Chinese-Kazakh border: China–Kazakhstan–Russia, Kazakhstan–Turkmenistan–Iran–Turkey (with an option Kazakhstan–Azerbaijan–Georgia–Bulgaria, using marine sites). As part of the westbound direction, the route China–Kyrgyzstan–Uzbekistan to Turkmenistan, Iran, and Turkey is being worked out.

In addition to freight routes, China also actively promotes projects to build high-speed rail. The country has managed to achieve significant progress in the technology, having built the largest network of this kind (more than 20 thous km). Chinese companies are involved in various ways in the construction of high-speed lines (HSL) in Turkey, Thailand, Indonesia, and Russia (Moscow-Kazan). Expansion of the Chinese HSL network in South-East Asia (Singapore-Kunming), Far East, Eastern Siberia, and Central Asia (Urumchi-Alma-Ata) has been mentioned. A construction of the Moscow-Beijing route is being worked out.

In the future, the Northern Sea Route may represent a certain alternative to the existing route between China and Europe. The distance by sea is 1.5–2 times shorter than the southern Eurasian bypass. However, the start of its regular use, in particular in the eastern section from West Siberia to the Bering Strait, most difficult in terms of ice conditions, has encountered a number of technological and environmental difficulties.

China supports the increase of not only transport, but also the **information connectivity** in Eurasia [Cheng Hao et al., 2016]. This refers to the development of

Table 1. Routes of Chinese cross-border freight trains (as of mid-2016)

Start Point	End point	En route border crossings
Chongqing	Duisburg (Germany)	Alashankou, Khorgas
Shenyang (Liaoning)	Hamburg (Germany)	Manzhouli
Chengdu (Sichuan)	Lodz (Poland)	Alashankou, Khorgas
Zhengzhou (Henan)	Hamburg (Germany)	Alashankou, Khorgas, Erenhot
Suzhou (Jiangsu)	Brest (Belarus), Warsaw (Poland)	Manzhouli
Wuhan (Hubei))	Pardubice (Czech Republic), Hamburg (Germany)	Alashankou, Khorgas
Wuhan (Hubei)	Tomsk (Russia)	Manzhouli
Yiwu (Zhejiang)	Madrid (Spain)	Alashankou, Khorgas
Yingkou (Liaoning)	Zabaykalsk (Russia)	Manzhouli
Chongqing	Cherkessk	Manzhouli
Changsha (Hunan)	Hamburg (Germany)	Manzhouli
Lanzhou (Gansu)	Hamburg (Germany)	Alashankou, Khorgas
Beijing-Tianjin	Ulaanbaatar (Mongolia)	Erenhot
Lianyungang (Jiangsu), Qingdao, Jinan (Shandong) Urumqi (Xinjiang), Xian (Shaanxi), Hefei (Anhui), Dongguan (Guangdong)	Alma-Ata (Kazakhstan)	Alashankou, Khorgas

Besides, the following routes are being worked out: Shijiazhuang-Minsk; Kunming-Rotterdam;Guiyang-Duisburg; Xiamen-Lodz; Korla-Duisburg; Taiyuan, Nanjing, Nanchang-Moscow; Taiyuan, Nanjing, Nanchang-Alma-Ata; Nanning-Ulan Bator; Nanning-Moscow; Harbin-Biklyan; Changchun-Schwarzheide; Dalian-Hamburg; Yinchuan-Tehran, Xining-Alma-Ata; Xining-Duisburg; Baotou-Tehran; Baotou-Duisburg; Linyi-Alma-Ata; Linyi-Ulan Bator; Wuwei-Alma-Ata; Yiwu-Tehran; Lianyungang–Istanbul; and Tianjin- Moscow. The press has also mentioned routes Zhuzhou-Hamburg; Yiwu, Xian-Warsaw; Chongqing, Dongguan, Wuhan-Moscow; Yingkou-Gomel; Zhengzhou-Ilichevsk; Harbin–Ekaterinburg; Baoding-Minsk; Yiwu-Chelyabinsk; Xian-Farap ("Chang'an"); and Lianyungang-Tbilisi.

Compiled after: The CR Express development plan 2016–2020. [The National Development and Reform Commission …, 2016].

telecommunication infrastructure, such as high-speed Internet, mobile networks, satellite services, and others. The existing gaps in the level of development of these services between the different parts of Eurasia prevent the strengthening of economic cooperation and cultural understanding. This puts forward a number of specific priority areas: satellite telecommunications, fiber optic networks (including intercontinental submarine), "smart city" technologies, and cross-border e-commerce. This is a good opportunity for the Chinese telecommunications sector firms (ZTE, Huawei, ChinaTelecom, ChinaUnicom) to strengthen their position in the global market with the support of the state.

The second of the two most important components of the SREB project is **investment cooperation** [Li Yu et al., 2016]. China is considering transition of its companies to the international level (export of services and capital) as a precondition for continued economic growth and is aiming to create a favorable environment. Chinese experts have recommended the government to deepen the study of business climate and investment law regime in the SREB countries and to actively work to improve business climate through international negotiations and bilateral agreements to protect the rights of Chinese investors. Chinese investors, in turn, are encouraged to enhance the interaction with the governmental authorities of the host country and to study these issues

at preliminary project stages, taking into account the specifics of the host country. In Russia, the investment priority areas are aerospace and other high-tech industries, recycling of resources, and development of projects in Eastern Siberia and the Far East. Investments are not always considered from a purely economic point of view: for Central Asia, for example, this is a means to increase social stability and prevent threats to China's security [Zheng, Liu, 2015].

Another important area of cooperation is **agriculture** [Li Fujia et al., 2016]. According to the Chinese geographers, intense international agricultural cooperation in Eurasia will ensure food security of China and give an impetus to the development of agriculture in other countries. In most of them, agriculture suffers from low efficiency, poor technical equipment and experience, and investment hunger. Productivity lags behind not only the EU and the US, but also China (in particular, the production of grains). Therefore, for these countries, cooperation with agricultural China is attractive.

China has large export of vegetables, fruits, and other labor-intensive products to Russia, Mongolia, and the countries of Central Asia. Russia sells to China animal feed, oilseeds; demand for Russia's dairy products has increased also. During 2005–2013, export of China's agro-products increased from $US 0.14 bln to 1.1 bln, while import increased from $US 0.4 bln to 1.3 bln. The Chinese scientists note positive features of Russian agriculture such as high diversity of crops and the rapid growth, in the last decade, of the production of wheat, potatoes, sugar beets, melons, and animal feed. At the same time, they note the high level of dependence of Russia on imports of finished products and seeds, the backlog of technical equipment and infrastructure, difficulties in the selection of personnel, and Western sanctions.

With the growing demand for legumes, cotton, corn, wheat, rice, sugar beet, and other land-intensive (as opposed to labor-intensive) crops and the lack of own space, China strives to safeguard foreign supply. "Integration" of Chinese companies in the value chain may contribute to the stability of supply and facilitate foreign trade cooperation. Russia, Mongolia, and the countries of Central Asia, through the cooperation with China, will be able to compensate for the lack of human resources, technology, and investment.

Recommendations of China's experts to their government include: encouraging participation of foreign landowners in the capital and switching from import of products and lease of land to the "import of the land," actively developing agricultural cooperation; encouraging the purchase of foreign agricultural enterprises, food companies and trading companies; and jointly developing land resources abroad. One of the recommended areas of cooperation is the creation of high-tech agricultural clusters. They can be used to develop the most suitable model of co-management, to adjust the technology in accordance with local conditions, and to train personnel to carry out applied research in the field of biotechnology, genetic engineering, pharmaceuticals, etc. The initial phase would be based on a few joint pilot projects leading to the establishment of an intergovernmental organization in the field of agricultural cooperation.

Chinese researchers have noted that in recent years, cautious attitude of host countries towards China has been growing. In response, the Chinese leadership in its declarations gradually shifts the emphasis from a sufficiently non-specific "mutual benefit" to a more understandable "for the benefit of the foreign partner." Most clearly this was expressed in the speech of President Xi Jinping at the workshop on the Silk Road in August 2016, where it was stated that "the creation of "Belt and Road" should be to the benefit of the citizens of these countries."[Xi Seeks to Address…, 2016]. Even before this event, Chinese researchers have noted that one of the necessary accents of cooperation

is the creation of the social base for joint projects support.

CONCERNS, EXPECTED POSITIVE EFFECTS, AND THE MAIN DIRECTIONS OF JOINT RESEARCH

The concerns of experts mainly relate to the possible China's export to foreign countries of excess and obsolete capacities of industries with a high load on the environment, e.g., ferrous and nonferrous metallurgy, petrochemical, pulp and paper, cement, electricity based on coal, etc. The interest to SREB in a number of countries that significantly lag behind China in terms of per-capita GDP, foreign investment, and new jobs, may cause them to turn a blind eye to the deterioration of the natural environment. In recent years, the Chinese government gives great importance to the environmental situation, directing major investments to the environmental sphere. According to some Western authors, Chinese companies may also become encouraged to increase the exploitation of natural resources and imports from the neighboring countries and to move polluting industries outside. Thus, the ban on industrial logging in the forests of China has created a greater demand for timber imports from South-East Asia, Russia, and other regions of the world, particularly from those where illegal harvesting is common. Analysis of satellite images of 2000–2014 [Kolosov et al., 2017] shows that even before the adoption of active conservation measures in China, logging in the Russian regions of Eastern Siberia and the Far East were concentrated along the border, due to the massive exports of timber to China. According to WWF experts, half of it falls on illegal logging. Weak state control, along with the rapid growth of China's timber demand, leads to degradation of the most valuable forests and the loss of species [Russian-Chinese cooperation…, 2010].

The routes of the New Silk Road pass through areas traditionally specializing in sectors based on intensive use of natural resources (mining, distant-pasture cattle breeding). Newly designed and reconstructed highways cross the areas of settlement of indigenous ethnic groups whose way of life is closely linked to the traditional land-use which plays an important role in the preservation of natural and cultural diversity. It may be damaged as a result of the implementation of resource-intensive projects and the creation of large agricultural and livestock farms (agro-clusters), for example, industrial pig farms with several hundred thousand heads, the construction of which is radically changing the land tenure structure within a large radius around them. Traditional culture and identity of small ethnic groups could also be threatened by the inflow of workers and specialists engaged in the construction of transport hubs and new enterprises, and spread of mass culture and cosmopolitan consumption patterns.

There are also concerns associated with the well-known "tunnel effect" when modern highways connect only large units, without giving any incentive to the development of sparsely populated transit areas and only accelerating the migration of their inhabitants to the big cities. Moreover, contributing to social stratification, economic growth does not necessarily cause an increase in the population's welfare. New projects should provide sustainable employment to the local population, add to the regional and local budgets (and not only to the state budget or the budget of the region in which the registered headquarters of private and public companies involved in investments are located). It is important to arrive at beneficial to all the parties involved proportional distribution of risks and benefits of the project and to avoid a situation where the environmental and social costs are geared towards one partner while the benefits are enjoyed by the other.

Other risks include potential conflicts caused by the unevenness of economic growth and its associated political dynamics in the countries of "Economic Belt" and their regions. Significant differences in the level of economic development between the border regions

can be the source of the sharp asymmetry of relations and high-conflict relationships between neighbors.

Due to the large capital-intensive and complex "Economic Belt" initiative, the states will represent the drivers in its implementation which is associated with megalomania risk, i.e., emphasis on extra-large projects with long payback periods, caused by political reasons. International scientific expertise helps, in such cases, see the less capital- and resource-intensive alternatives, for example, investments in energy savings, rather than increasing energy production, especially at large power plants, upgrading existing infrastructure instead of building new, etc.

Development of new territories, which opens up prospects for the realization of China's initiatives, should be based on the principles of "green economy": GDP growth and improvement in other economic indicators not only should not increase the burden on the environment, but on the contrary, should be accompanied by its reduction per unit of production [Glazyrina, Zabelina, 2016]. Evaluation of the effectiveness of new projects should be based not on the indicators of output, or establishment of foreign economic relations, but on the impact on the level and quality of life, the environment, health of the population, preservation of traditional culture, and vitality of local communities.

Welfare of the population can be enhanced by overcoming the "continental curse," through the construction or reconstruction of the "Asia–Europe" transport axes, caused, in the words of the famous geographer L.A. Bezrukov, by the ultra-continental position of many regions of Siberia, Mongolia, Western China, Kazakhstan, and Central Asia, located at a distance of more than 2000 km from the oceans. L.A. Bezrukov proved that the low accessibility of these regions from ports significantly increases the cost of their exports, especially mineral commodities, often making them uncompetitive in the global market, preventing import, and directly affecting the standard of living of the population [Bezrukov, 2008]. It can be expected that the construction of new transport corridors as a result of the "The Belt and Road" initiative will enhance the formation of linear systems of settlement led by the major cities. The process of migration of the population to the towns and villages along the main road that crosses the country from south to north currently has been clearly manifested in Mongolia, even prior to its reconstruction [Batbuyan Batjav, 2016]. The linear nature of the resettlement reduces the average distance of transportation, as if it were bringing the cities closer [Kolosov, Treyvish, 2013].

Founding China's initiative solely on the development of a new mineral and raw material base and reinforcing agricultural specialization of the inland areas of North-Eastern Eurasia would be a mistake. The initiative should lead to restructuring of China's economy, its diversification, renewal of the technological basis, and an appreciable multiplier effect. Economic recovery and the strengthening of communication would soften sharp contrasts in wealth between the border regions of the "The Belt and Road" countries and promote solution to ethnic and territorial conflicts on the borders between member-countries of joint projects.

Due to the multi-dimensional nature of the initiative, the implementation of its projects should strengthen the integration processes at the regional and local levels (urban areas and agglomerations) and boost the cross-border cooperation.

Long-term prospects of the initiative and the possible fundamental effects of its implementation determine the high relevance of international cooperation to provide scientific and technical project support in order to avoid conflicts and to find mutual compromises and coordination of the interests of all parties involved and at different levels (individual states, regional authorities, private businesses, etc.). In our

view, the priorities of scientific cooperation in North-Eastern Eurasia include:

- inventory of resources, demographic and economic potential of the regions, local markets, and the ways of life along transport corridors (the proposed new and reconstructed existing); the creation of joint databases, making heterogeneous and often incomplete information compatible; better information visualization and presentation in a practical user-friendly format;

- ways of moving towards sustainable development of cross-border natural systems, including river basins; identification of areas with the most acute environmental situation requiring immediate joint intervention; investigation of harmonization of the specially protected natural territories network and approaches to strengthen it;

- coordination of approaches to joint strategic environmental impact assessment of new projects (Strategic Environmental Assessment, SEA) and evaluation of their impact on the environment (Environmental Impact Assessment, EIA), the strategic spatial planning tools recognized by the international community.

CONCLUSIONS

The "Belt and Road" concept fits into the overall strategy of the further development of China and meets its objectives in many specific areas. In the economic sphere, it corresponds to the task of transformation of the economic growth model, helping to reduce excess capacity in a number of traditional industries through their export to other countries. In the diplomatic sphere, this concept is a "socially useful product" offered by China to the world community, which helps build its "soft power." Overall, this means a wider range of instruments and scope of China's economic diplomacy, especially within the framework of cooperation with developing and least developed countries all over the world in the South-South format.

China proposed the "New Silk Road" ("Belt and Road") that represents a multi-dimensional project aimed at the gradual transformation of the world economy and the country's place in the international division of labor. This is, in fact, the foreign component of the government's policy to modernize the country's economy. China intends to use the opportunities of globalization and foreign trade to solve its own social and economic problems; however, the "Belt and Road" provides the potential for development for all other participants, whose range is virtually unlimited. A symbolic metaphor of the "Silk Road" makes it possible to succinctly convey the general principles of the new policy to the foreign audience. "Belt and Road" is an important part of a new stage of China's economic openness and export of Chinese capital. A charitable desire to improve the lives of the people along the ""Belt and Road" may represent Keynesianism and a new "Marshall Plan" of the world scale: the calculation that the increase in the aggregate demand in developing countries in conjunction with the free international trade, in the long-term, would mostly benefit the Chinese economy.

Russia's accession to the Chinese project takes place both through the intensification of the bilateral relations, as well as through the "pairing" with the creation of the EAEU. Russia should actively cooperate with China in the framework of its new foreign economic policy, put forward Russia's own initiatives aimed at realization of the export and transit potential of the country, and eliminating regional development imbalances. China's planned development of continental routes corresponds to the objective needs of modernization of transport infrastructure in Russia. Of course, today it is difficult to predict all the details of the interaction between the two countries in both the coordination of the EAEU and SREB programs and the implementation of specific projects. The

initiated practical work is focused on a long-term perspective. In this connection, it is necessary to fully take into account that the gap of the absolute values of China's and Russia's GDPs in the coming years will increase: according to the IMF estimates, from 5.6:1 in 2014 to 7.8:1 by 2020 (when converted from yuan and rubles into dollars at the current market rate) and from 4.9:1 to 6.7:1 (in terms of the purchasing power of the national currencies). As outlined in the Joint Statement of Russia and China on deepening the comprehensive strategic partnership and promoting mutually beneficial cooperation (May 8, 2015), in this particular situation, it is especially important to act always in the spirit of "strengthening equal cooperation and mutual trust."

ACKNOWLEDGEMENTS

The work was partially accomplished under the Program of the RAS Division of Earth Sciences No 12 Environmental-geographical conditions and constrains of nature management for diversification of the economy of Russia and its regions (No 0148-2015-0036). The study was financially supported by the Russian Foundation for Basic Research (project 16-35-00507) and the RF President's Council for the grants for young PhD. scientists (I.G.Chubarov). ■

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Received on January 19th, 2017 Accepted on February 9th, 2017

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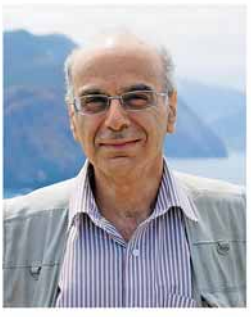

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