

# VI ● INTERNATIONAL RELATIONSHIPS

UDC 334.024

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## **The New Silk Road – Economic Belt Policy: The Great Chance for the Rejuvenation of Europe**

**Abstract.** The paper presents that Europe is now being shaken by a series of crises such as the Greek crisis, the refugee catastrophe and the imminent turbulence of the Trans – Atlantic financial sector. In that context, the perspective of the OBOR / New Silk Road is the only positive way to be able to find a form of cooperation, which will allow these problems to be overcome on a higher level. It also states that when we talk about the «New Silk Road becomes the World Land Bridge» as a vision for the future, we should see it as a synonym not only for a new just economic order, and emphatically as the basis for a peace order for 20<sup>th</sup> century, based on completely different economic and scientific principles than the previous system of globalization, but also for a new paradigm concerning the identity of the human species as the only creative species known so far in the universe.

**Key words:** OBOR, Refugee Catastrophe, Euro crisis, the World Land – bridge.

### **Introduction**

Europe is now being shaken by a series of crises which clearly show that the entire structure of the European Union, as it has developed from the EU summits from Maastricht to Lisbon, and the euro single currency, are standing on extremely shaky foundations, and that their continuation in the current form is most unlikely. The Greek crisis, which is by no means over, has already demonstrated that the Troika's attempt to cling to the neo – liberal economic model, even against the explicit will of the voters of a member country, is enormously explosive for the unity of Europe. The imminent turbulence of the trans-Atlantic financial sector – the situation being much tenser than before the collapse of Lehman Brothers and AIG in 2008 – threatens to plunge Europe into chaos, which can neither be prevented by a continuation of the «bail – out» policy, nor by the widespread plans for «bail – ins».

As tragic as the refugee crisis is for the millions of people fleeing, it potentially has a good side: more and more Europeans are realizing that the policy of Europe must fundamentally change, that the causes for the outflow of refugees from their countries must be eliminated, and that this requires, in addition to a scrupulous analysis of those

causes, a comprehensive economic development program for South-west Asia and Africa. Above all, the 180-degree change of the German government and its pledge to accept all refugees from Syria, offers an exceptional chance to bring about a change in Europe. The charity shown by a great majority of the German population can become an orientation point for a new paradigm that would open Europe up to cooperation with the Silk Road Economic Belt policy. But it must be made more explicit.

### **Methods**

Even before the refugee catastrophe that highlighted the internal tensions and differences of opinion, the Eurozone and even the entire European Union had repeatedly been brought to the point of rupture by the Greek crisis. That became clear in the merciless rigor with which the Eurogroup, the European Central Bank and German Finance Minister Schauble rejected the slightest concession to Greece on the austerity policy from the very first day the Syriza – Independent Greek government took power, a government elected on the basis of its explicit rejection of the austerity policy. In Greece, the democracy that the EU praises so loudly was ignored [1, p. 61].

### Main body

The Troika's austerity policy in Greece and in other EU countries in Southern Europe had already led to a humanitarian catastrophe in 2010. In that year, the Greek debt amounted to 125% of its GDP. The Troika said that rate was unsustainable and prescribed a «rescue package» which involved hefty cuts. At the end of the fourth quarter 2013, Greek debt amounted to 183% of GDP. Today, now that the Syriza government, after desperately resisting, was forced to accept the harshest austerity package ever, the level of the debt is up to 200% of GDP [1, p. 122].

By the end of 2014, the real economy had shrunk by 25%, and unemployment was officially at 28%, but it was in reality at 45% and for the youth at 65%, even though it is estimated that up to one million educated, young people had left the country because of the lack of perspective for the future. That corresponds to about 10% of the population. Moreover, the average real income of those employed had dropped by 50% due to tax increases, wage decreases and inflation [1, p. 61].

The suicide rate rose dramatically, by thousands. In almost all the cases, the reason was the unbearable economic hardship due to the austerity measures: Dismissals, bankruptcies, eviction notices, loss of medical insurance, loss of vital subsidies, etc. Since 2010, the Greek health system has all but collapsed, hospitals and physicians were forced to practice triage, which led to an increase in the mortality rate to 111.794 deaths and a decline in the birth rate to only 94.134 in 2013, therefore an overall population decrease by 17.660 people, and that rate has increased from year to year. Subsidies were cut to «unprofitable» ferries to islands «only» inhabited by local residents [2, p. 53].

Under the latest «bailout package» forced on the Syriza government under conditions of brutal blackmail, the indebtedness is above 200%, while the real economy continues to contract. Of all the billions of dollars of bailout funds, only about 3% remained in Greece, the rest flowed right back into the European banks in the form of service on Greece's old debts. It is not surprising that the International Monetary Fund declared these debts to be unsustainable, and refused to participate in the bailout unless significant debts relief was granted. That in turn was rejected by the ECB, the Eurogroup, and in particularly German Finance Minister Wolfgang Schäuble, because a large share of derivatives depends on maintaining Greek debt service payments [3, p. 291].

In Ireland, Spain, Portugal and Italy as well, the austerity policy has had devastating effects. In Ire-

land, out of a total population of less than 4.5 million, 70000 emigrated per year. That makes 1.6% of the population, which is only growing by a net 0.6% per year. Unemployment rose officially from 4.8% in 2008 to 14.8% in June 2012, and then rose to 9.5% by July 2015. The suicide rate also increased here [2, p. 54].

In Portugal, a country of less than 10.8 million people, some one million have emigrated, among them many engineers, computer programmers and academics who have gone to the former colonies of Mozambique and Angola, where economic growth rates are much higher than in Portugal. Suicides are also on the rise, in particular among the elderly and unemployed. As for unemployment, under the Troika's «model of success», it went from 8.4% in 2008 to 12.1 in July 2015.

Spain, whose economy and population (47 million) are larger than those of Greece, Ireland and Portugal combined, is also in a free fall. Official unemployment was at 24.7% in June 2012, as against 8.5% in 2008. Youth unemployment was at a staggering 53%. In 2011, 62000 Spaniards emigrated, yet in the first six months of 2012, a record number of 40625 had been reached. In addition, 228000 foreigners left the country, many of whom had worked in the collapsed construction sector [2, p. 61].

In Italy, the GDP has shrunk over the last three years by respectively 2.5%, 1.9%, and 0.4%. Since 2008, Italy has lost one fourth of its industrial capacity, the same percentage as Greece. Unemployment is officially at 12%, with youth unemployment between 40 and 42%. Real figures are likely twice as high, as the head of the industrialists' association Confindustria pointed out last year.

According to Svimez, a think tank for the industrial development of Italy's Mezzogiorno, the southern part of the country faces industrial desertification and demographic annihilation. Measured in GDP, the Mezzogiorno declined more than Greece in the 2001 – 2014 period: 9.4% as compared to 1.7% [2, p. 70].

Of course, since the Troika took over the country in 2010, the Greek collapse has been more dramatic. However, the decline of the Mezzogiorno has proceeded at an increasing rate. GDP has been negative for seven years in a row. Whereas all Italian regions were hit by the 2008 – 2014 recession, Southern Italy cumulatively lost 13%, while the Center and the North lost «only» 7.4%.

Industrial collapse is even more dramatic: Benefit has plunged by 45% in the Mezzogiorno, compared to 17.2% in the rest of the country, while the construction sector plunged by 38.7% (vs. 29.8%).

This has brought about an unprecedented negative demographic trend. There were only 174000 births in the Mezzogiorno regions in 2014 for a population of 20.6 million. This is the lowest figure ever since 1862, the birth year of the Italian state [2, p. 68].

«Southern Italy will thus be characterized in the next years by a demographic distortion, a tsunami with unpredictable consequences, destined to lose 4.2 million inhabitants in the next 50 years», states the Svimez report.

The New Silk Road becomes the World Land – Bridge: OBOR Policy must create a New Paradigm for Europe

It is obvious that the combination of crises in Europe, the refugee crisis, the euro crisis, but first and foremost, the danger of a new world war developing out of either a showdown between the US and Russia over the Syria policy or the situation in Ukraine, requires an even more creative intervention. Clearly, the true self – interest of Europe lies in cooperation with the OBOR policy in the context of the BRICS and of President Xi Jinping's offer of a «win – win» policy. We think that it must be made even more explicit, and the outbreak of the refugee crisis makes it easy for everyone to see, that unless major nations agree to develop both Southwest Asia and Africa as a joint effort, the situation can only degenerate into chaos and war [4, p. 293].

Therefore, when we talk about the «New Silk Road becomes the World Land Bridge» as a vision for the future, we should see it as a synonym not only for a new just economic order, and emphatically as the basis for a peace order for the 20<sup>th</sup> century based on completely different economic and scientific principles than the previous system of globalization, but also for a new paradigm concerning the identity of the human species as the only creative species known so far in the universe.

President Xi Jinping has called this an all – inclusive, «win – win policy», in which all-participating nations will enjoy mutual benefits. President Putin has reiterated the same openness in talking about the economic integration of a Eurasia from the Atlantic to the Pacific. The concept of the «New Silk Road» is therefore the most important strategic initiative, because it is the only available policy on the table to overcome the idea of geopolitics, which was the two World Wars in the 20<sup>th</sup> century. The prospect, that nations or a group of nations would have legitimate geopolitical interests that would pit them against each other, must be replaced with the idea, that there is a higher level of reason, on which historical, ethnic or other conflicts disappear.

Humankind must be defined in this way for the first time in its history, by the common aims of the human species [4, p. 418].

This is not some vision for the far distant future, but it is the indispensable basis for an immediate intervention into strategic situation today.

The Schiller Institute presented last year a 370 – page scientific study titled The New Silk Road Becomes the World Land – Bridge, which is the outline for an infrastructural integration of all continents, through a comprehensive system of fast train systems, highways, waterways, tunnels and bridges as the arteries for development corridors. This comprehensive plan for the reconstruction of the world economy would provide enormous advantages for each participating country, enabling every part of the planet, to participate in a «win – win» perspective.

In early 2012, we had already presented a comprehensive development plan for the Reconstruction of Southern Europe, the Mediterranean Region, and Africa, which is now incorporated into the World Land – bridge. The basic approach from the start was to actually build the Transport Corridors in Southern Europe that had already been agreed upon in 1994 by the European Transport Ministers at a conference in Crete. They had decided to build 10 Priority Corridors, of which 5 would have traversed the Balkans to Greece, others to Italy, Spain and Portugal. But with the exception of small components, they were not built, above all because of the crises in the global financial system which broke out, and the resulting austerity programs, but also because there was a paradigm change to Green ideology, which currently dominates the guidelines of the European Union. In fact, these programs could be launched tomorrow. They would give Spain, Portugal, Italy, and the Mediterranean zone and Africa, a vision for the future, which would completely change the overall dynamic. For some of the projects listed in the program, for example a tunnel under the Strait of Gibraltar, the feasibility study and an agreement between Spain and Morocco already exist, so construction work could begin within 24 hours. The tunnel would connect the European rail network with the future North African rail network via a 40 km long tunnel under the Strait of Gibraltar. Thus, the Gibraltar tunnel would connect Africa to the World Land – Bridge. An essential element of the plan is the systematic development of the real economy and improvement of the skills of the workforce through a series of Avant – guard projects which serve as science drivers [5, p. 3].

Also in November 2012, the Schiller Institute presented a comprehensive development plan for the entire area from Afghanistan to the Mediterranean and from Central Asia to the Persian Gulf, all seen as one region. Only if all major neighbors, namely Russia, China, India, Pakistan, Iran, Egypt, and hopefully some European nations, such as Germany, France and Italy, and the United States hopefully as well, agree together with the BRICS, to extend the New Silk Road development perspective into South West Africa and Africa, will there be the possibility, that the vision of a better future will convince young men in particular, that it is better to study to become a scientist or engineer and raise a family, than to join ever new jihadist groups.

What is needed is an integrated development program, including a war against the desert with the development of plenty of new water sources, infrastructure, industry, agriculture, new smart cities, and science and research centers. If all the countries that are presently threatened by the terrorism emanating from that region would collaborate in this development, the danger could be overcome.

Due to climate change, caused primarily by solar and galactic influences on the planet Earth, the belt of deserts, ranging from the Atlantic coast of Africa all the way through the Sahara and Sahel zone, the Arabian Peninsula, the Near and Middle East to China, is currently expanding in a similar way as the desert in the South – west of the United States, and parts of Central and South America. The obvious answer to this problem is the creation of large amounts of fresh water through a variety of methods, such as desalination of large amounts of ocean water through nuclear energy, continental water diversification and management projects, weather modification and ionization of atmospheric moisture [5, p. 181].

In several countries, atmospheric ionization systems have been successfully used to increase precipitation, and in this way affect the associated weather processes. Successful application of this method, which imitates processes occurring natu-

rally in our solar system and galaxy, has been tested for three decades now. Through international cooperation concerning the further development of these technologies, the desertification of the mentioned regions of the world could be rolled back in a completely new way: By managing the water resources of the atmosphere.

### Conclusion

The attractiveness of the policy of the New Silk Road is found in the inspiring example of the Chinese Economic Miracle of the last 30 years, which shows the way for every nation on this planet that is willing to make this lesson their own. The One Belt, One Road (OBOR) perspective simply means to replicate the Chinese Economic Miracle everywhere, in Southern Europe, Southwest Asia, and in Africa. Aside from China, Germany is the country which after the Second World War created the famous German Economic Miracle, and thus the German population has the ability «in its genes» for great achievements under crisis conditions [6, p. 35].

In that way, the refugee crisis can become a chance to correct the political and economic failures of the last 25 years and to return to the principles, which dominated Germany in its reconstruction phase. Instead of herding the refugees into barracks, damning them to inactivity, they could be developed in language and educational training programs and integrated into the national economy, becoming an enormous economic benefit in the nations of Europe, which are currently suffering from demographic shrinkage.

The construction of the World Land – Bridge for Southwest Asia and Africa must become a common mission for all of humanity. The UN – General Assembly, where Ban Ki Moon has scheduled a special session to address the refugee crisis, would be the appropriate place to discuss such a vision [6, p. 48].

Only when we unite ourselves around the common goals of mankind will we be able to overcome the current crisis.

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