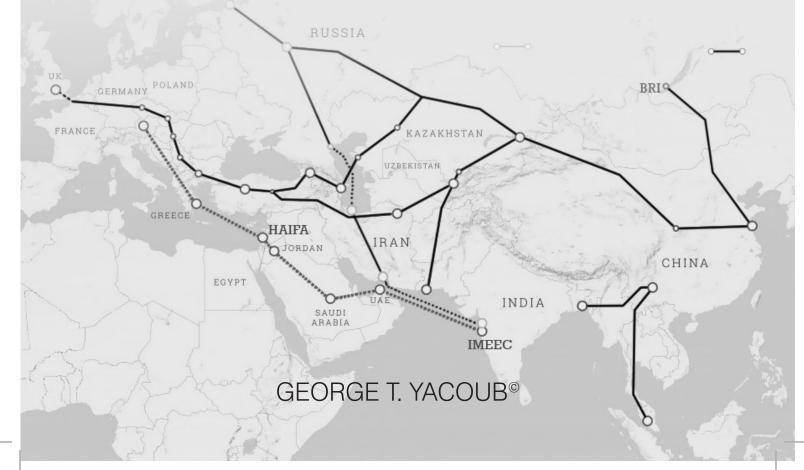


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# THE WARS OF GLOBAL ECONOMIC CORRIDORS

## NEW GAME, NEW PLAYERS, NEW ENDS & NEW MEANS





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### PREFACE

This is a sequel to my essay, "Syria Joins China's Belt and Roads Initiative" published by Information International in The Monthly of September 2022.

The main conclusion of that essay is that China's entry into the Middle East has been one of the region's most momentous events since the end of World War I in 1918. It is a game changer in the ongoing struggle for the Middle East, marking the beginning of the end of a long period of Western hegemony. China's development and extension of its BRI and the furthering of its economic interests and geopolitical influence will most likely provoke a new type of international cold wars. The US response has come less than a year after Syria joined BRI. In September 2023 President Biden announced the signature of a Memorandum of Understanding with India, Saudi Arabia, the Emirates, Israel, and Western Europe to link India to Europe via the Middle East.

The reaction to Syria's joining the BRI varies from hostility to indifference. The USA, as BRI's greatest opponent, has swiftly proposed similar initiatives to several countries in South Asia. These proposals have culminated in the agreement to establish the "India-Middle East-Europe Economic Corridor" (IMEEC). It is no coincidence that a few weeks later, in October 2023, President Assad was invited to make a state visit to China for "high level discussions". In the meantime, Russia, the European Union, and some other states have announced plans to establish their own "economic corridors".

Recent events suggest that the number of states competing to establish or join economic corridors will rise dramatically in the future. Competition for space, resources and allies will present new threats, giving rise to states acting and reacting in manners akin to that described by the security dilemma paradigm. China's BRI has opened what might be termed a "Pandora's Box of Economic Corridors", instigating global cold wars with wide ranging geopolitical, economic and security dimensions.

My 2022 essay focused on China's decision to push its BRI through Syria and the consequent impact on the region without delving much into the concept of economic corridors. In this essay, the analysis centers on understanding and explaining economic corridors as policy instruments with definable economic and geostrategic dimensions. The indications that the world's great powers will compete vigorously to control economic corridors are strong and may well usher in an era of new cold wars. The IMEEC has been presented as the USA's direct response to China's BRI and heralds a determined counter-challenge, even though IMEEC is still on the drawing board. Under these circumstances it is important to examine the concept of economic corridors, to understand and explain their nature, structure, modus operandi, dimensions and to appraise their impact on geopolitical and power relations in the emerging international order. An understanding of the interaction between geography on the one hand, and the acquisition and exercise of power on the other is essential.

There is a tendency in the Arab World to ignore the imperatives of geography on nation building and the political evolution of societies. Antoun Saadeh stands out as a rare exception. He started to investigate how geography impacts the transformation of human communities into nations but was killed before he could develop his ideas into a cohesive theoretical body. Not one of his followers has taken up his task. In

recognition of his foresight and clear vision regarding the imperatives of geography in the formation and building of nations, I wish to dedicate this essay to Antūn Saadeh (Az-Zaeem).

I have been discussing China's growing interest in the Middle East with several friends and have benefited from their views and suggestions. I acknowledge their contribution with gratitude. Jawad Adra merits special thanks for taking the time to discuss most of my essays with me and to provide me with his illuminating comments. I am most grateful to my wife, Joannah, for her editorial assistance and unfailing support. Without her encouragement and cooperation, this essay would have been much the poorer.

George T. Yacoub London: November 30<sup>th,</sup> 2023

## **1. INTRODUCTION**

The main purpose of this paper is to examine the concept of corridors and to appraise their role as a policy tool. Global States, in their quest to promote their respective economic interests and augment their political influence, are competing vigorously to establish and control economic corridors on a worldwide basis. This is already introducing a new type of international conflict. The interdependent nature of these initiatives, together with the huge investments involved and their long-term gestation to maturity will restrict these conflicts and reduce them to different types of cold wars.

#### 1.1 BACKGROUND NOTE

The concept of long-distance transport and travel is not novel. Its origins can be traced back several millennia to the ancient caravan routes along which people, goods, services, and ideas were both carried and traded across Asia, Europe, and Africa. The existence of these transcontinental trade routes has been traced to 4000 BC. The first on record was the "Trans-Saharan route across the Wadi Hammamat from the Nile to the Red Sea."<sup>1</sup> This later evolved into a network of routes covering nearly 5000 miles to become part of the Silk Road linking East and West through regions in Asia and the Mediterranean Basin.<sup>2</sup>

China's Silk Road is one of the most famous of such phenomena because of its longevity, geographic expanse and influence on many civilizations. It came into being during the 1<sup>st</sup> Century BC and remained operational well into the 17<sup>th</sup> Century AD. Throughout this period, it was used continuously by traders, nomads, diplomats and religious missionaries as well conquerors and explorers.<sup>3</sup> New discoveries and the development of new means of transport finally rendered the Silk Road redundant. At this point, "webs of trade routes" began to spread all over the world, both overland and by sea.

The needs of human communities for connectivity, travel and exchange of ideas expanded with advances in science and technology. Economic corridors are part of that evolving process. Perhaps the means of connectivity have varied as human knowledge has advanced, but the ends remain basically the same. Economic corridors are the modern version of the long-distance trade routes of antiquity and serve similar purposes.

They are, however, not the same. They are more complex in structure, wider in scope, multi-modal and highly capital intensive. Some are specifically regional while others are global.

#### 1.2 PURPOSE AND SCOPE

The term corridor has been used in more than one sense and has covered migration corridors, ecological corridors, and many others. In this essay, the term is used to mean corridors that are transport based and that derive their value from their economic function. The derivative term, global economic corridors, covers multimodal linear transport route networks intended to promote multinational cooperation to achieve sustainable economic development and enhancement of political influence. This essay focuses on the rise of economic corridors, the connection between these economic corridors as policy tools, their deployment as instruments of transnational economic and social development, their geographic reach and the acquisition and exercise of political power.

<sup>1</sup> Hope A & Cox J (2015), <u>Development Corridors</u>, publishing services. Gov. uk.

<sup>2</sup> Aradhna A, The Concept, Evolution Impact of Regional Corridors. MPRA Paper No. 110 706, Nov.2021, P. 2.

<sup>3</sup> For details refer to Yacoub, GT. , "Syria Joins China's Belt and Road Initiative", <u>The Monthly</u>, Information International, Beirut, September, 2022.

Geographically, the scope of economic corridors has evolved from local to regional and from regional to global. They are being adopted by many states as instruments of grand strategy and apply the states' own political, economic and natural resources to further their economic growth and promote their political influence. In short, the aims of this essay are three pronged:

- Explore the nature, structure, and application of economic corridors.
- Examine the role of economic corridors as tools of policy.
- Explain how economic corridors foster new cold wars.

I have limited the analysis to the two major presentday competing economic corridors; China's BRI, and the US sponsored IMEEC. Though BRI has been operative for more than ten years and IMEEC was formally launched only a few months ago, there is sufficient data on the latter to allow a snapshot comparison of their objectives, structure, geography, and modus operandi.

#### **1.3 NOTE ON METHODOLOGY**

The method of analysis used in this essay draws heavily on my earlier study of Syria joining BRI. The same criteria of long-term sustainability, shared benefits, interdependence, connectivity, and collective security has been used to appraise the viability and longevity of the two initiatives under examination<sup>4</sup>. Critical problems of management, logistics, finance and above all security will be addressed and evaluated.

Sustainability and security are of utmost importance to the success and continuity of economic corridors. Given the fact that they are cooperative and interdependent, necessitate huge capital outlays and take a long time to become established, sustainability and longevity assume a special importance. Both are functions of the following factors:

- Cooperation and synchronization of policy.
- Stability and continuity.
- Fair sharing of benefits.
- Collective security.

The nature of these corridors and their closely related economic and political goals render them highly sensitive to international conflicts. This propels their safety and security to the forefront.

China has already committed itself to the development of its BRI, making it an integral part of its grand strategy for economic development and expansion as well as national security. BRI was officially initiated in 2013. Since then, China has extended it cautiously and methodically. Today, China is ahead of its main competitor, the USA, and shows no hesitation in committing the necessary economic and financial resources for such a mammoth enterprise. However, the USA, European Union and India are hot on its heels. At the G20 summit in September 2023, they agreed to establish a corridor linking Southeast Asia with Europe via the Middle East and to prepare, within two months, the plans needed to implement it. Given these ambitions, it is not unrealistic to expect an era of new cold wars to establish the dominance of global economic corridors.

<sup>4</sup> Yacoub G T. "Syria joins China's Belt and Roads Initiative", The Monthly ,Op.Cit., PP. 35-43.

### 2. ECONOMIC CORRIDORS EXPLAINED

The rapid growth in the number of economic corridors and their geographic spread, both regionally and globally, have resulted in the emergence of various types of corridors with different purposes and structures. While these corridors create new opportunities, they also signify new threats. The World Bank cautions that "implementing the corridor policy requires a deep understanding of the types of corridors, underlying mechanisms, benefits and costs, policy options in designing strategies and implementing interventions, and tools for monitoring and evaluating them."5 It is therefore useful to understand the nature of economic corridors, their functions, types, and roles for the following reasons.6

- They are evolving to become the most dominant form of international economic cooperation and, at the same time, the source of new cold wars.
- Their geographic reach and size are bound to have widespread economic and political influence worldwide.
- They form key components of the grand strategy of world powers.
- Their interdependent and long-term nature will result in new norms and rules in the realm of international relations.

Economic corridors are often confused with highways due to their origins as a means of transportation. In fact, they go much beyond that by being an integrated system of overland route networks, sea lanes, railways, ports, transit hubs, as well as providers of fueling and travel services. They act as gateways of international commerce.

#### 2.1 **DEFINITION AND DESCRIPTION**

The most common usage of the term "corridor" has been to describe trade routes linking major urban centers in specific geographic spaces. Today it is mostly employed to describe global multi-modal transregional route networks intended to promote international cooperation and to foster economic development. Almost all corridors consist of linear routes connecting the hubs of different transport modes. Although originally designed as single function networks, they have evolved to serve several functions in addition to trade. They are not only multifunctional, but also multimodal, national, regional, and global.

Economic corridors are often confused with highways due to their origins as a means of transportation. In fact, they go much beyond that by being an integrated system of overland route networks, sea lanes, railways, ports, transit hubs, as well as providers of fueling and travel services. They link industrial and manufacturing facilities and complexes with urban centers of demand and act as gateways of international commerce. Most states regard economic corridors as powerful policy instruments of international economic cooperation and development, as well as of the

<sup>5</sup> World Bank, "Trade Facilitation Challenges and Reform Priorities for Maximizing the Impact of the Belt and Roads Initiative", Discussion Paper No.4, 2018.

<sup>6</sup> This section draws heavily on an excellent study of economic corridors. Refer to: Aggarwal, A. "The Concept, Evolution, Impacts and Critical Success factors of Regional Economic Corridors" MPRA Paper No. 110706 Copenhagen Business School Nov. 23, 2021.

extension of their political influence. As long- term cooperative initiatives requiring huge investments in large scale infrastructures, economic corridors involve a variety of activities such as:

- Facilitating the movement of people, goods, services and capital across borders.
- Encouraging the development of those regions which might otherwise be neglected.
- Providing policy guidelines to promote cross border cooperation, trade and investments.

#### 2.2 REQUISITES FOR SUCCESS

The establishment of economic corridors along major multi-modal route networks involves not only large capital outlays to finance the required infrastructure but also laws and regulations necessary to facilitate the movement across national borders of goods, services, people and capital, along with access to markets and sources of raw materials.

This is a tall order and can be afforded only by major powers enjoying the necessary size, economic capabilities, and political reach. Although the establishment and management of global corridors are the domain of those major powers, successful functioning of these corridors is dependent on the cooperation and participation of the smaller countries through whose territories they pass. This interdependence is binding, hence the need for active participation and cooperation of all parties involved and, by extension, for longevity and fair sharing of benefits.

To summarize, the establishment and success of economic corridors is dependent on the following prerequisites:

- 1. Sound economic rational.
- 2. Physical infrastructure connecting centers of economic activity.
- 3. Streamlined policies and regulations to facilitate border crossings.

- 4. A marketing strategy to promote and create investment opportunities.
- 5. A fair system of sharing benefits.
- 6. Long term operating plans.

These combined prerequisites translate into sustainability and longevity, two imperatives for the success of any such initiative.

#### 2.3 TYPES AND BASIC FUNCTIONS

Economic corridors have been classified according to geographic reach as local, regional, and global. Their development passes through four stages as follows:<sup>7</sup>

- Transport: to physically connect two spaces or areas.
- Multimodal: to provide that connection through integrated networks of various transport modes.
- Logistics: to provide the connection which "harmonizes the institutional framework to facilitate efficient movement and storage of goods, services people and information".
- Economic: to "attract investments and generate economic activities."

Of these four stages, logistics and the potential for physical connections must already exist as a precondition for an economic corridor.

The race for economic corridors, both regional and global, is underway. China currently leads that race. World powers like the USA, the European Union, Russia, and India have already announced that they will soon build their own corridors and will be inviting smaller states to join. It is early days to predict how these initiatives will develop and how they will impact economic and political relations among various states round the world. It can, however, be said with certainty that corridors are here to stay, regionally and globally, and that they will be keenly pursued by many states.

<sup>7</sup> Bernomyong R, "Bench Marking Economic Corridor Logistics", Journal of World Customs, No1, Vol. 4 P. 34

### **3. ECONOMIC CORRIDORS IN ACTION**

Interest in establishing and joining economic corridors has been growing at an increasing rate since the early 2000s in every part of the world. These corridors come in different sizes, functions, and structure and have cropped up in many regions: South Asia, Africa, Europe, and South and North America. The majority are regional but global corridors are catching up as great powers adopt them as part of their grand strategy.

Economic corridors, regardless of their size are designed to facilitate regional cooperation among neighboring states to enhance their economic development. They involve massive investments in infrastructure as well as close policy coordination to ensure efficient movement through multimodal route networks and to promote cross border economic activities.

#### 3.1 **PROLIFERATION OF ECONOMIC CORRIDORS**

Globalization has played a key role in the proliferation of economic corridors, inducing many countries to "shift from import substituting to export-oriented industrialization regimes".<sup>8</sup> This has given rise to rapid growth in international trade and consequently to a rising demand for economic corridors. It has also encouraged business concerns "to fragment their production across borders and organize them in interactive networks." Development of regional cooperation frameworks and the introduction of rules and regulations to facilitate cross border business has bolstered the proliferation of economic corridors around the world. Economic corridors have been established in South Asia, sub-Saharan Africa, South America, Eastern Europe, and the European Union. Most have been established to address the issues and needs of specific regions. The participants, neighboring countries with common interests and shared natural resources, have used these corridors to cooperate in fostering joint projects which they could not undertake alone.

> China's BRI remains the largest and most advanced of all global economic corridors. The Chinese Communist Party has incorporated BRI into its constitution and has proclaimed it as the state's official policy tool for rapid economic development, promotion of trade relationships and extension of political interests.

Among the oldest regional economic corridors is the Greater Mekong Subregion (GMS) formed in 1992 by the six countries bound together by the Mekong River in South Asia. These include Cambodia, China, Laos, Vietnam, Myanmar, and Thailand. One of its sponsors, the Asian Development Bank, describes it as "a subregional cooperation program focused on its fundamental strengths of community, connectivity and competitiveness while embracing the principles of environmental sustainability and resilience, internal and external integration and inclusivity for building GMS community with a bright shared future"<sup>9</sup>.

China's BRI remains the largest and most advanced of all global economic corridors. The

<sup>8</sup> See Aggarval A. MPRA, Nov 23, 2021. https://mpra.ub.uni-muem.de/1180706. PP. 12-15

<sup>9</sup> Asian Development Bank.https://greatermekoing.org/content/economic-corridors-in-the greater Mekong-subregion

In September 2023, at the G20 Summit held in New Delhi, it was agreed to establish a corridor linking India, the UAE, Saudi Arabia, Jordan, Israel, and Western Europe (IMEEC) under the sponsorship of the USA to counter BRI.

Chinese Communist Party has incorporated BRI into its constitution and has proclaimed it as the state's official policy tool for rapid economic development, promotion of trade relationships and extension of political interests. China regards the success of its BRI as the guarantee for its continued economic development and growth and as an imperative for its national security, domestically and internationally.

Since China launched its BRI formally in 2014, the United States and its allies have tried to counter it by establishing alternative initiatives. At the G.7 summit in August 2022, the Partnership for Global Infrastructure and Investment (PGII) was formed to compete with China's BRI, if not yet to challenge it. A year later in September 2023, at the G20 Summit held in New Delhi, it was agreed to establish a corridor linking India, the UAE, Saudi Arabia, Jordan, Israel, and Western Europe (IMEEC) under the sponsorship of the USA to counter BRI. The leaders noted in their official launch statement that, in addition to landbased route networks, the initiative will involve "rail connectivity, shipping lanes, high speed data cables, and energy pipelines". These together with "existing land and sea route networks will enhance movement of trade and transit between all participants".

According to White House sources, the necessary plans for implementation are underway and are expected to be finalized and presented to members "within sixty days". The US and the European Union disclosed another partnership during the G20 summit namely, "The Trans-African Corridor" consisting of route networks connecting Angola, Zambia, and the Democratic Republic of Congo. The USA and its allies are planning to develop other key global corridors by strategically layering transformative investments across multiple sectors in countries to leverage the broader effects of boosting economic development, securing supply chains, and bolstering regional connectivity"<sup>10</sup>.

In the race for global economic corridors, the USA and its European Partners are some years behind China. The Chinese BRI is more developed, covers almost the entire globe and is already operational. China's geographical location, its physical size, its relentless drive to achieve and maintain high rates of economic growth and its decade-long head start furnish advantages. On several occasions, the US and its allies have made public their dissatisfaction with China's initiative. Indeed, the USA, the prime superpower of the world, makes no secret of the fact that it considers China's move as a threat to its international influence and national security. IMEEC is one of its responses to China's BRI's and it will not be the only one. At every opportunity, the USA and its allies vow that they will do everything in their power to match China.

## 3.2 SUSTAINABILITY AND DURABILITY

Sponsors must be prepared to commit a significant part of their national resources to establish and operate global economic corridors over a long period of time. Designed as strategies to foster cooperation among states, enhance connectivity,

<sup>10</sup> Fact Sheet, September 9, 2023, , The White House "President Biden and Prime Minister Modi Host Leaders on the Partnership for Global Infrastructure and Investment."

promote economic growth, and protect the environment, their success is a direct function of their sustainability and longevity. Both, in turn, depend on the cooperation of the partners involved.

Corridors have different functions, vary in size and geographic reach. Even when not identical, they share certain important characteristics as follows:

- They are tools of state policy for economic growth and political influence.
- They are capital intensive and involve heavy investments in infrastructure.
- They depend on cooperation, coordination, and fair sharing of benefits.
- Their gestation to maturity and economic returns are long term.
- Geostrategy will dominate the evolution of global economic corridors.
- At a global level they might be contentious and highly competitive.
- They will lead to new forms of international conflict including new cold wars.

These characteristics determine, to a large extent, the organization, management, and operation of economic corridors. The huge infrastructure investments they involve, and their longterm nature render sustainability, cooperation, coordination, and fair sharing of benefits important survival imperatives. Both the establishment and control of global economic corridors demand that they be sponsored and managed by a great power capable of providing the seed money needed for the initial investments in infrastructure and for rallying key participants.

The struggle for global economic corridors will be one of the main arenas of the ongoing game of nations. Their nature, structure and long gestation to fruition will discourage the use of military force for their control, keeping the struggle as much as possible in the realm of cold wars.

#### 3.3. THE CASE OF TWO CORRIDORS

Though IMEEC is still in its formative stages, its sponsors have outlined enough of their vision of its implementation to permit a snapshot comparative analysis with BRI. These two initiatives were selected as case studies for the following reasons:

- They are the global economic corridors sponsored by the two superpowers, the USA and China.
- Both countries will be inter-competitive for world dominance through these global economic corridors.
- The two corridors are policy tools that will be used to further the economic and geopolitical interests of both the USA and China with worldwide implications.
- The struggle for such economic corridors will determine the nature of future international relations, conflict, and wars.

The USA and its allies have been open about their concern over the rapid expansion of China's BRI. President Biden announced on more than one occasion that the US regards BRI as a challenge to its economic interests and national security<sup>11</sup>. The USA has trailed behind China in the race for global economic corridors, but during the G7 Meeting in 2022 and G20 Meeting in 2023 it launched the Partnership for Global Infrastructure and Investment to establish global corridors and to close that gap<sup>12</sup>. IMEEC is just one example of that evolving strategy.

All corridors are territorial because they consist of transport networks designed to move goods, services, capital, people, and ideas across geographic spaces on regional and global scales. They are described as "economic", but geopolitics is as important a dimension. Both China and the USA proclaim that the major aim of their respective initiatives is to promote cooperation amongst states

<sup>11</sup> Refer to White House, Fact Sheet, June, 26, 2022 and September, 09. 2023.

<sup>12</sup> Ibid.

and foster balanced economic growth, peaceful solutions to problems of poverty, and protection of the environment. At the same time, in keeping with their status as world powers, both are vying to use economic corridors as policy tools to project their political influence, power and augment their economic interests.

For The USA, economic corridors in general and IMEEC in particular. are basically part of its strategy to contain China's BRI, maintain its world economic supremacy and enhance its national security. President Biden made it very clear in that "enhancement of the national security of the US and its allies" is a prime objective of their corridors.

BRI was formally launched in 2013 while IMEEC was officially announced ten years later during the G20 Summit in New Delhi. That China's rapidly expanding BRI across the world has alarmed the USA, its allies, and some regional powers like India cannot be overstated. IMEEC has been established as a response to what they perceive as a critical Chinese challenge. The US and China, in their struggle for economic and geopolitical dominance, will compete vigorously through these two corridors.

China's BRI is part of the state's grand strategy and is included in the Constitution of the Chinese Communist Party. Its success is essential for China's continued growth and national security, both domestically and internationally. Unlike China, the USA, as the world's sole superpower, has no pressing need for economic corridors either to maintain its economic growth or enhance its national security. This explains why it lagged ten years behind before perceiving the Chinese initiative as a possible threat and then rushed to join in the race.

For The USA, economic corridors in general and IMEEC in particular. are basically part of its strategy to contain China's BRI, maintain its world economic supremacy and enhance its national security. President Biden made it very clear in all his statements during the G7 (2022) and G20 (2023) Summit Meetings that "enhancement of the national security of the US and its allies" is a prime objective of their corridors.

#### 3.4. A SNAPSHOT COMPARISON

What are Economic Corridors about? What is their nature? What are their types? What are the main characteristics of the BRI and IMEEC corridors? What are their economic and strategic dimensions? How they are led, managed and financed and by whom? What are their geopolitical implications for international relations? All these are valid questions which need to be answered.

BRI and IMEEC are both global economic corridors consisting of integrated multimodal route networks and infrastructure investments. They include logistics and terminal infrastructures, as well as fueling and travel servicing facilities. Spatially, China's BRI covers the entire globe and is spread across five continents. IMEEC is no less ambitious but is still in its very early stages. According to recent announcements by President Biden, the USA will "shortly match BRI". Though their sponsors claim that the main aims of BRI and IMEEC are economic and developmental, they are not altruistic. Their other aim of accumulation and projection of national power and political influence is of equal importance but is often obscured in public statements.

IMEEC has been recently introduced as a serious contender to BRI. The following analysis examines the disparities and similarities between them and exposes the different approaches to implementation:

#### **Different Approaches**

China and the USA approach the concept of economic corridors from different perspectives which derive from their specific historical experiences. China bases its experience on its ancient Silk Road which was open-ended and open-minded. The USA has made no secret of the fact that a major aim of its IMEEC is to counter China's BRI. Its IMEEC draws on its containment strategy employed at the end of World War Two to prevent the expansion of the USSR<sup>13</sup>.

Furthermore, the USA, to maintain its unipolarity, views BRI and the rise of China in a zero-sum context where any gains by China represent a loss to its global economic and strategic interests.

#### **Physical Structure**

The defining feature of BRI and IMEEC is their physical structure consisting of both linear land and sea route networks connecting economic centers, logistic hubs, industrial complexes, transport servicing facilities, ports and a variety of gateways. The struggle for domination is geopolitical rather than economic and will determine the relationships between states. This struggle will be predominantly in the form of cold wars. A resort to military means may still occur but this will be spatially limited and will be fought through proxies.

BRI is more developed than IMEEC in terms of size, geographic spread, membership, functional

scope and actual investments. It consists of the following six overland corridors plus the Nordic corridor known as the "Polar Silk Road":

- 1. China-Mongolia-Russia
- 2. New Eurasian Land Bridge
- 3. China- Central Asia-West Asia
- 4. China-Pakistan
- 5. Bangladesh-China-India-Myanmar
- 6. China-Indochina Peninsula

In 2010, when China began to establish BRI, its efforts were centered on the Eurasian continent. Since 2017 it has expanded to Africa, parts of South America, and Oceania. China's expansion plans also include a digital corridor and a "silk road in outer space."

The expansion of China's BRI and consequently its economic and political power has alarmed other states led by the US such as Japan, Australia, India, and the European Union. The Partnership for Global Infrastructure and Investment and its offshoots, particularly IMEEC, have been established as a counter to BRI. Any information available on these endeavors is still in the form of announcements published as "Fact Sheets" by the US White House. IMEEC, like BRI, is an integrated system of transport and logistics infrastructure, consisting of trunk and feeder networks. It comprises two corridors:

- 1. The Eastern Corridor connecting India to the Middle East
- 2. The Northern Corridor connecting the Middle East to Europe

A railway will supplement the existing crossborder road and maritime networks between India, the UAE, Saudi Arabia, Jordan, Israel, and Europe. This proposed railway will connect ports and other gateways in the Middle East and Europe with Asia. Upon completion, the railway will provide cross-border ship-to-ship transit

<sup>13</sup> Containment as a formal US policy was introduced by the American diplomat George F Kennan in 1947. The experience of the USA with containment goes back to the early days of its formation as a state and its wars with native Indians who were defeated and contained in "reservations" to constrain their movement and growth.

transportation between India, the Middle East and beyond to Europe across the Mediterranean Sea. The corridor itself will link five Middle Eastern ports: Fujairah, Jebel Ali, Abu Dhabi, Dammam and Ras Al Khair on the coast of Arabia with the ports of Mundra, Kandia and Navi Mumbai on the West Indian Coast and thus link Asia and Europe to industrial, commercial and transit hubs to promote the development and export of clean energy, underwater cables and integrated power grids. The last stage of the linkage will be the ports of Haifa in Israel and Piraeus in Greece, thereby joining India with Europe<sup>14</sup>. Development they "will continue to develop economic corridors" to safeguard "their economic and national security interests".

BRI to date has 148 members. So far, IMEEC has twelve participants. They include the USA, India, France, Germany, Italy, the European Union, Japan, Saudi Arabia, UAE, Israel, the World Bank and Mauritius.

#### **Investment and Financing**

IMEEC was unveiled only last September with

## **C** Unlike BRI, the US sponsored IMEEC is quite recent. Little information is available on its implementation, scheduling, and financing. That makes the task of predicting its future difficult.

# Nevertheless, given the concern of many countries regarding the rising power of China, several competitors to BRI are certain to emerge in the near future.

The project's published map shows Mumbai as its starting point. Therefrom it proceeds by sea to Dubai and then by rail to Al-Ghweifat, passing through Haradh to Riyad, Jordan, Haifa and by sea to the Greek port of Piraeus to transit to the rest of Europe. Once completed, it is expected to shorten the trade route between India and Europe by 40 percent. President Biden, in his IMEEC launch announcement, described it as "a big deal" and as a major competitor to China's BRI in the Middle East.

BRI remains to date the oldest and largest working global corridor. The leaders of G.20 during its summit of 09-2023 indicated that they will not stay behind and through their Partnership for Global

many promises of investment in infrastructure but little concrete information about where, when, and how much will be the funding. The investments intended for IMEEC, and their sources of capital are critical to the credibility and success of the initiative, especially as a counter to China's BRI. The financial information available from the G20 summit is that the USA intends to provide US \$200 billion over the next five years while other members are expected to mobilize US \$600 billion. Other than these declarations of intent, none of the signatories of the G20 Agreement have made any binding financial commitment. They have agreed to prepare an action plan within sixty days which will probably include an investment and financing program to match BRI's.

China is well ahead in the implementation of its BRI and has invested huge sums of money in

<sup>14</sup> Memorandum of Understanding on The Principles of an India-Middle East-Europe Economic Corridor, 09, 2023, https://whitehouse.gov/briefing-room, 11/ 09/2023 PP. 1-3.

projects round the world. It is reported that by 2023, Chinese investments in BRI's 3100 projects had reached US \$200 billion. Morgan Stanley estimates that by 2027 China's Investments will be US \$ 1.2-1.3 trillion<sup>15</sup>.

#### Leadership and Management

The Chinese Government is the initiator, leader and practically the owner of BRI. It shoulders the responsibility for BRI's finance, management, and future planning. The economic welfare, growth and national security of China is highly dependent on the success and development of BRI. Being one of its most important policy tools, it is therefore under full control of the Chinese Communist Party and Government. Decisions regarding BRI are highly centralized and concentrated in the top echelons of China's government.

The management and decision processes of IMEEC are much less centralized and are diffused through the governments of its members. It is too early to predict what will be its organizational structure, but it is certain that it will not be as direct and centralized as BRI.

The above snapshot comparison suggests the following observations:

- 1. BRI is ahead of IMEEC and is already being implemented while IMEEC is still in its early planning stages.
- 2. China and the USA have different approaches to corridors. China's approach is open-ended and inclusive whilst the USA's is defensive and views corridors in a zero-sum context.
- 3. China's geographic location in the center of the global economic system provides a more commanding position than the US located at the periphery. This enables China to establish corridors directly from beginning to end.
- 4. Most of BRI financing is sourced from within China, while the financing of IMEEC comes only
- 15 https://www.nbr.org/publicatioin/a=guide-to-the belt

partly from the USA and is mostly dependent on the contributions of other members.

5. China is virtually the owner of BRI and has the greater power to make quick decisions and exercise direct management control. Decision making in IMEEC is more diffused and dispersed, which could cause internal controversy and delays.

Unlike BRI, the US sponsored IMEEC is quite recent. Little information is available on its implementation, scheduling, and financing. That makes the task of predicting its future difficult. When the uncertainties created by the ongoing Ukraine and Gaza wars are taken into consideration, the possibility of accurate forecasting worsens. Nevertheless, given the concern of many countries regarding the rising power of China, several competitors to BRI are certain to emerge in the near future.

### 4. ECONOMIC CORRIDORS AS POLICY TOOLS

Global economic corridors will become issues of international conflict, at least among the world's great powers. As the proliferation of corridors increases and as the world moves to multipolarity, competition to create corridors will become keener. Regardless of how benign the proponents of economic corridors claim them to be, the fact remains that as policy instruments, they are a means of acquiring and exercising power. This acquisition of power brings them into the realm of politics and its exercise into that of geography, both physical and human. The term geopolitics derives from this linkage between power and space. The study of the evolution of global economic corridors can benefit significantly from the rich and varied geopolitical literature that has recently become available.

#### 4.1 STRATEGIC DIMENSIONS

An understanding of the full impact of economic corridors on international relations must be viewed from a geopolitical perspective. Geopolitics focuses on the interactive connections between the acquisition and exercise of power, whether military or nonmilitary and on the geographic space that encompasses location, demography, topography, terrain, natural resources, and territorial waters. Global economic corridors are conceptually geopolitical and deal with the linkage between politics, power0 and space.

During the last twenty years, global economic corridors have evolved from regional developmental instruments into potent tools of government policy with strong economic and geostrategic dimensions. China led the way, launching its initiative in 2011 as part of its national grand strategy for promoting its economic growth and extending its political influence. USA, Russia, the European Union, India, and others are rapidly following suit. The USA sponsored corridor, IMEEC, launched in September 2023 to connect India via the Middle East to Europe is a good example of economic corridors becoming part of the strategies of great powers.

The description "economic" masks the other important dimensions of corridors namely, geopolitics, and power. Acquiring and exercising power are key driving forces in international relations. Although seeking power is necessary, power is ineffectual unless exercised as a tool of statecraft to exert influence on other states. Therefore, economic corridors as proponents of state policy must be understood not only in the context of economic growth and social development, but also as instruments of grand strategy, comprising both military and soft power exercised within a specific geographic space and with an ability to extend influence beyond national borders.

## 4.2 STRUGGLE FOR ECONOMIC CORRIDORS

The world's great powers will compete to build economic corridors on a global scale sooner rather than later. This competition will set in motion a game of nations involving new types of cold wars. Limited geographic space and relative scarcity of economic resources, added to the drive for economic growth and political influence, create security issues that cannot be ignored especially if the huge investments involved in economic corridors are taken into account. In the foreseeable future, economic corridors could become a common cause of conflict between states.

Other than the desire for economic prosperity, there are several objective factors responsible for the race to establish economic corridors as follows:<sup>16</sup>

Opcit. MPRA Paper No. 110706. November, 23, 2021. PP. 14-15.

The hegemonic objectives of the game of nations to control geographic space and resources are unlikely to change. However, self-preservation and new players with different capabilities, approaches, political outlooks, and ideologies will change the means and the rules of the game.

- Globalization encouraging countries to "shift from an import substituting to an exportoriented industrialization."
- Fragmentation of production processes and their reorganization within cross-border interactive networks.
- Shifting the focus of economic growth and social development to regional cooperation and integration.
- Demonstrating the success and sustainability of corridors established during the last thirty years.
- Implementing measures that simplify and facilitate cross-border exchange of goods, services, capital, and information
- Creating regional infrastructure projects that generate additional economic value from "economies of scale and clustering".

As the demand for economic corridors mounts, so will competition for resources such as geographic space, political influence, markets, and capital. Viewed from the wider perspective of geostrategy, the role of economic corridors as projections of power and influence will increase. More countries will adopt them to boost their economies and further their political influence, giving rise to new types of international conflicts The world's great powers are already racing to establish and operate their own economic corridors. They are followed by middle sized powers either as partners or as associates.

This world-wide proliferation suggests that states regard corridors as powerful tools to foster economic growth and extend political influence. The main driver behind their rapid proliferation is the changing technological landscape and the rush for sustained economic growth and globalization. Increased demand for the resources required to establish corridors and the relative scarcity of those resources, including geographic space and investment capital, will result in more aggressive competition and will lead eventually to conflict.

The hegemonic objectives of the game of nations to control geographic space and resources are unlikely to change. However, self-preservation and new players with different capabilities, approaches, political outlooks, and ideologies will change the means and the rules of the game. With the center of geostrategic gravity shifting to Asia, Europe, the Middle East, and Africa they will become essential pathways for global economic corridors. Many strategists like the American Admiral T. Mahan (1840-1914) regarded Russia's transcontinental size as threat to the Anglo-Saxon world. Nearly a hundred years later, National Security Advisor Brzezinski wrote, Europe and Asia are politically and economically powerful and Eurasia will be the chessboard on which the struggle for global primacy will continue to be played. "It is mandatory for the US to prevent any challenge to dominate Eurasia because this will be a challenge to the United States."

This is confirmed by Henry Kissinger who said, "geopolitically, America is an island off the shores of the landmass of Eurasia whose resources and population far exceed those of the United States. The domination by a single power of either of Eurasia's two principal spheres- Europe and Asiaremains a good definition of strategic danger for America, cold war, or no cold war. For such grouping would have the capacity to outstrip America economically, and in the end, militarily."<sup>17</sup> These views equally apply to the economic corridors passing through and connecting cities in Eurasia, Africa, and the Middle East.

US National Security Advisor Sullivan reports that President Biden views economic corridors as "far reaching investments that come from American leadership and its willingness to embrace other nations. Enhanced infrastructure would boost economic growth, help bring countries of the Middle East together and establish that region as a hub for economic activity instead of as a source of challenge, conflict and crisis".<sup>18</sup>

Global economic corridors are likely to assume an increasing role in international relations and are bound to be among the most contested issues in the future. Technology, the pressure to achieve higher levels of economic growth, relative scarcity of resources and the rapidly changing international political landscape will speed their proliferation and fuel the struggle to dominate them. Experts believe that with "the decline of unipolarity the area between China and the Mediterranean is becoming once again the spine of the world, with its center of gravity shifting towards China".<sup>19</sup>

#### 4.3 IMPERATIVES OF TERRITORY

Economic corridors have two dimensions: economic and geopolitical. In the relationships between states, both are objects of policy and can be highly contentious. States exercise control over territory as part of the routine of statecraft. They also compete for scarce economic resources and markets in their quest to achieve sustained economic development. Hence, control over territory and lust for economic supremacy become the "bedrock" upon which the geopolitics of economic corridors **G** US National Security Advisor Sullivan reports that President Biden views economic corridors as "far reaching investments that come from American leadership and its willingness to embrace other nations.

rests. States as sovereign territorial entities give priority to the pursuit of their own national goals by deployment of geopolitical means that can lead to competition and even conflict.

The struggle for economic corridors is basically territorial. It will most probably take the form of cold wars which are fought with different weapons rather than fire power. These weapons include maritime sieges, economic blockades, regime changes, espionage, black propaganda, direct intervention, proxy wars and quite a few others. Fortunately, economic corridors are based on spatial integration and cross-border infrastructure investments which are interactive and interdependent. The size of such investments and their long-term nature means that conflict should be resolved without causing physical damage and destruction. States will avoid armed confrontation and will prefer to resolve their disputes by other means, resorting to arms only when all else has failed.

Following the announcement of the US sponsored IMEEC in September 2023, it was made clear that this is a "counter to China's BRI". The importance of economic corridors is expected to mount exponentially, not only from a connectivity and infrastructure perspective but also geopolitically. Since China launched its BRI, the USA and its allies have made more than one attempt to match it with alternative proposals. Most of these proposals await funding as well as development and implementation plans. Both China and the US

<sup>17</sup> Kissinger H, Diplomacy, New York, DSimon and Shustter, 1994, P. 810.

<sup>18</sup> https://www.pbs.org/newshour/world/watch.biden-modi-announce-economic-corridor.

<sup>19</sup> Philips A, "Interview with Silk Road Historian Peter Frankopan", <u>The World Today</u>, Chattam House, April 1st 2007.

highlight the economic cooperation features of their proposals. However, neither can hide the growing tension between them. This tension is not only economic but also geopolitical and technological.

The decision of China to bring its BRI to the Eastern Mediterranean via Syria should be viewed from that perspective, as should the decision of the USA to fortify its presence in Iraq and to maintain military occupation of northeastern Syria. Together, Syria and Iraq form an important bridge linking Central Asia via Iran to the Mediterranean and therefrom to Europe and Africa. The move of the USA into Iraq and Syria is fraught with danger not only because most of the local population is against it, but also because Iran has vowed to fight its continued presence.

The geographic centrality of Mesopotamia and Geographic Syria has been historically the most important determinant of their respective political histories. Since antiquity, great powers have sought to control this region in their struggle for access, territorial expansion, and the augmentation of power. In the age of economic corridors, the geographic location of Iraq and Syria, at the crossroads of three continents, Asia, Africa and Europe, is more prized than ever before. The international struggle to dominate the Middle East has been going on for centuries at different levels of intensity and in different forms.<sup>20</sup> The current war in Gaza, Palestine, is a continuation of this old contest.

China's entry into the region via Syria and the attempt of the US to match, indeed to thwart China's efforts, ushers in the risk of more than one type of war. Tension between China and the US in the Middle East is happening not only at an economic level but also at a political level. This in itself creates new needs and dictates new policies and alliance patterns. These developments can be better understood if viewed from the perspective of the great powers' attempts to redraw yet again the geopolitical map of the Middle East, leading some to observe that this region will once again be an important linchpin in the struggle to dominate the evolving networks of corridors.

**China's presence as a** major actor on the geopolitical landscape in the Middle East is a "game changer". That brings new opportunities, but also carries considerable risks.

The people and governments of the Middle Eastern states, particularly Syria, Lebanon, and Iraq, still suffer the consequences of European imperialistic policies following World War One. The "carrot of statehood" was dangled yet not one of these countries has developed into a viable state. These Middle Eastern entities must review their recent history carefully and draw the correct conclusions so as not to fall again into the deadly trap of the policies of divide and rule as employed by external players. In the age of economic corridors based on territorial integration, they should reassess their performance over the past one hundred years and work together to maximize regional connectivity and cooperation.

China's presence as a major actor on the geopolitical landscape in the Middle East is a "game changer". That brings new opportunities, but also carries considerable risks. How much the people of this area and their leaders have learned from their recent history and how much they will use it for their own benefit remains to be seen. If they wish to make serious progress, they must first establish the constitutional and institutional frameworks for policy coordination and political cooperation. They should also reinvigorate the vital importance of their geographical and territorial assets. Syria and Iraq could lead the way with Lebanon and Jordan following close behind.

<sup>20</sup> For a detailed analysis of this argument refer to Yacoub G, "Syria Joins China's Belt and Road Initiative", <u>The</u> <u>Monthly</u>, Information International, Beirut: September 2021, PP. 35-46.

# **5. WARS OF ECONOMIC CORRIDORS**

Economic corridors cannot be understood outside their geopolitical context. As instruments of state policy, they are political *par excellence*. As areas encompassing connectivity and exchange across the territory over which states exercise political control, they are geographic.

The nature and instruments of global wars as a means of achieving foreign policy objectives are changing. Since the end of World War II, global wars have been avoided and have been replaced by spatially limited wars. The Korean, Vietnamese, Middle Eastern, Afghani, and the Ukrainian wars have been limited in geographic and functional scope. Each has been more costly than the one before and none has succeeded in achieving its intended objectives, let alone decisive victories.

That does not signal the end of warfare as a major tool of statecraft. It does imply that the main objective of war, territorial dominance, has remained the same while the policies, strategies, and instruments of achieving that objective are continuously changing in response to changes in technologies, social and moral values, environmental developments, evolving power structures and power distribution. The operating dynamic of economic corridors as objects of statecraft and instrument of policy must be viewed in terms of those changes.

## 5.1 THE GEOPOLITICS OF ECONOMIC CORRIDORS

The general definition of geopolitics is the interaction between the acquisition and the exercise of power within geographic spaces. Power in this respect includes both hard military and soft non-military power, while geographic space encompasses terrain, location, topography, demography, and the natural resources therein contained.

Global Economic Corridors are geopolitical in essence because they pursue spatial goals through the implementation of the policies of states and the deployment of their national resources. They integrate territory to create "value chains" by building and financing cross-border infrastructures. The establishment, operation and management of economic corridors involves the integration of terrain, transportation, and information flow into a system of value chains. Competition for economic corridors revolves around territorial integration through regional partnerships for financing crossborder infrastructures to achieve economic growth and augment political influence.

Throughout mankind's history, political and economic rivalry has been focused on territorial dominance. This rivalry has been expressed in different modes, ranging from armed conflict at one extreme to alliance formation at another with various modes in between such as wars by proxy, cold wars, regime change and black propaganda.

Geographic location is decisive and influences how the great powers will compete to form partnerships and gain territorial access to establish and control economic corridors. The geographic location of states relative to the world's main trade passageways is crucial to attracting partners and participants. Another imperative of geography is the topographical nature of territory and its effects on connectivity and networking. Terrain and its location have a significant impact on the planning, design, construction, and operation of economic corridors. In their totality, these geographic factors determine the physical characteristics of the corridors, their functional scope, modal structures, and membership appeal.

One of China's advantages over the USA in the struggle for global economic corridors is its geographic location in the middle of the world's corridor system, providing it with greater freedom of action without the need for intermediaries or assistants. In comparison, the peripheral geographic location of the USA necessitates its dependence on major partners like India or Indonesia to provide bridgeheads for initiating rival global corridors. Despite its economic might and political clout, the USA finds it necessary for the success of IMEEC to bring on board large countries like India and Indonesia to balance China's size and its growing economic surpluses and political influence.

China's ability to finance BRI's projects from its domestic resources provides it with another advantage over the USA. Without India as an anchor and the Arabian Gulf States as financiers, starting IMEEC would have been difficult. CNN reports President Biden describing the project as a "big deal" and "inflection point in history". In his drive to mobilize Arab financing, he told the UAE's President, "thank you, thank you, I don't think we would be here without you."<sup>21</sup>

Global economic corridors have three defining features:

- A geographic feature which is a function of territory and location.
- A political feature of how to acquire and exercise power.
- An economic feature of creating value chains through territorial integration and cross-border investments in infrastructures.

As the world moves away from unipolarity, the struggle for economic corridors will be geographically extended and functionally varied. This will offer opportunities for smaller states to balance and hedge their choices as to which global corridor system to participate in, and when and how. Many have become more aware of the value of their geography, positioning themselves between the USA and China to maximize their benefits. **G** One of China's advantages over the USA in the struggle for global economic corridors is its aeographic location in the middle of the world's corridor system, providing it with greater freedom of action without the need for intermediaries or assistants. In comparison, the peripheral geographic location of the USA necessitates its dependence on major partners like India or Indonesia. 

#### 5.2 CHANGING NATURE OF WAR

Strategists define war as "politics by other means" to emphasize the fact that the purpose of war is political. They differentiate between two generic types: "total" and "limited" in accordance with the objectives, geographic scope, targets and national resources committed to fighting a war. The objective of total war is to break the will of the enemy to resist. There is no limitation on duration, geographic scope, targets, or resources to achieve this objective. The objectives of limited wars are specific. Their means are restrained and usually commensurate with the goals. Since the end of World War II and the introduction of nuclear weapons, the term "cold war" has been added to the lexicon of warfare. Its distinguishing feature is combat without resort to military means.

Technology and costs have been the main game changers of modern warfare. The first has changed the instruments of war and its tactics, and the second its cost/benefit relationship and strategies. Since the end of World War II both factors have

<sup>21</sup> CNN World, Sep. 11, 2023, https://edition.com/cnn09/11middleesst/us-india=gulf-europe corridor. PP. 2-3.

caused a shift from global wars to wars limited in goals, geographic scope and in the commitment of national resources to wage them. The huge infrastructure investments necessary to create economic corridors tend to shift warfare in the direction of nonmilitary confrontation. Nuclear weapons, the exorbitant level of national resources a state needs to commit to physical warfare and the huge leaps in material and human costs has changed the cost-benefit relationship of armed conflict and raised serious questions about its efficacy. Since the end of the Vietnam War there has been a gradual change in the attitude of people towards war as "politics by other means".

**C** This rivalry between the USA and China will more likely take the form of a new type of cold war based on a different geopolitical-economic logic that calls for "integrating territory into value chains anchored by their domestic lead firms through the financing and construction of transnational infrastructure such as roads and power grids". (Pompeo)

The rise of the global geopolitical economy results in new forms of geoeconomic competition and different contexts of power rivalry focusing on territorial access and control. Territory is of the essence and is necessary for economic corridors. However, territory alone is not sufficient and must be supplemented with financial resources to support investments in large scale cross-border infrastructures.

An examination of the global geopolitical scene reveals that the major rivals for economic corridors are China and the USA. China has already joined the global economy by partaking in constructing, financing and operating BRI's projects round the world. To date it has not encountered serious opposition, but that will change. The USA is already recruiting allies and organizing partnerships to establish rival economic corridors. Tension between the two superpowers is mounting but both have stated unequivocally that they have no desire to engage in direct military confrontation to settle their differences. The cost of such a confrontation and the close bilateral economic relations between both powers deter them from engaging in direct military warfare. That the USA cannot contain China as it did with the USSR compels both countries to find other ways to resolve their differences. Former US Secretary of State Pompeo confirmed this fact saying, "it is not possible to contain China and cut it off from the free world. Communist China is already within our borders, and we need to deal with our concerns differently."22

#### 5.3 OLD VERSUS NEW COLD WARS

The evolving nature of war and the changing worldwide public attitude to armed conflict suggests that the struggle for economic corridors will take the form of limited soft power cold wars, rather than global "hot" wars. Cold war, which has become the cornerstone of US foreign policy after World War II, depends primarily on non-military means.

This rivalry between the USA and China will more likely take the form of a new type of cold war based on a different geopolitical-economic logic that calls for "integrating territory into value chains anchored by their domestic lead firms through the financing and construction of transnational infrastructure such as roads and power grids".<sup>23</sup> This link between space and power, both political and economic, lies at the core of today's geopolitics and is the essence of the struggle for global

<sup>22</sup> Secretary Pompeo, July, 23, 20322, https://rgs-ibg-onlinelibrary-wiley.com/doi/full/10,1111. P. 5.

<sup>23</sup> Ibid.

economic corridors. Geographic endowments such as location, topography, and demography assume a defining role in establishing economic corridors for economic growth and extension of strategic influence.

The outcome of the rivalry between the USA and China will determine how states and regions join the global economy in the future.

The old and new cold wars share many features. However, they are fundamentally different in their logic when it comes to the control of territory. Whilst the former seeks to contain an adversary by restricting its territorial expansion, the latter is about integrating territory through cross-border partnerships.

The logic of the old cold wars was about territorial containment: This "logic" was based on a territorial vision of encirclement and exclusion<sup>24</sup>. The new cold war revolves around a territorial vision of geopolitical-economic integration<sup>25</sup> and rests on expansion through territorial integration and the creation of transnational "Value Chains".

The USA developed the old cold war concept following World War II to contain the USSR and prevent the expansion of communism to territories beyond Soviet borders. This became the cornerstone of US foreign policy. Its goal was to encircle the USSR with US allies to prevent this expansion, all this without needing to resort to direct military confrontation. During the post-World War II era, US foreign policy was governed by this zero-sum geopolitical strategy that regarded any extension of Soviet influence as a net loss to its own and which was therefore to be vigorously opposed. US thinking was based on strategies of encirclement and containment rooted in American history since its wars with the native Americans.

#### **C** Though China's approach to international relations might be different, it is still regarded by many countries within the US sphere of influence as a challenge and potential threat to the West.

In extending its global, economic, and political influence, China also drew on its historical experiences with its ancient Silk Road and, as a byproduct of that, laid the groundwork for a new kind of cold war by creating economic corridors to promote cross-border territorial integration and regional cooperation in pursuit of collective economic growth. These global economic corridors have become one of its main policy tools to further its economic and strategic interests. This Chinese approach of territorial integration to foster collective economic growth and development introduces a different "territorial logic" into the evolving global geopolitical system. Such a logic is bound to influence the nature of future warfare and favors a shift to new cold wars. Though wars by military means might not have come to an end, global powers competing for territory now have other equally effective but less destructive if not less violent options.

Peter Frankopan, the author of two monumental books on China's BRI, rejects the principle that cold wars will govern future relations among states. He argues that the "cold war analogy is not a useful one because China "is more nuanced and looks like a very different kind of competitor.". He adds that today's world is not the same, "we have new technologies and the significance of geography has changed so there are different ways you can influence, attack and compromise with states".<sup>26</sup> Unfortunately the response of most states polled since Frankopan made his statement suggest that

<sup>24</sup> Schindler S. et. al. "The New Cold War and the Rise of the 21st Century Infrastructure State", Transaction, Institute of British Geography, London June 18, 2021. P. 4.

<sup>25</sup> Op cit.

<sup>26</sup> Frankopan P, Interview with Philps A, "China's Ambitions in Perspective", <u>The World Today</u>, Chattam House, London: September 16, 2019.

though China's approach to international relations might be different, it is still regarded by many countries within the US sphere of influence as a challenge and potential threat to the West.

The new cold wars will be both regional and global. They will be fought by proxies not only for territorial dominance but also for economic and political influence. The huge capital outlays required to initiate and operate economic corridors makes them the domain of the rich and mighty. Smaller powers will try to sponsor their own corridor, but only at a regional level.

The following changes have influenced the nature and conduct of armed conflict.

- 1. Although the USA still carries great weight and power internationally, it is no longer a unipolar state.
- 2. Economic corridors have bolstered both the territorial logic and the role of geographic location to favor China.
- 3. Nuclear dangers, and the huge leaps in material and human costs of modern wars have changed the cost-benefit relationships of armed conflict. Even superpowers find them unsustainable.
- 4. China's global, political and economic expansion is dependent primarily on its own domestic, financial, material, and human resources.
- 5. The rivalry between China and the USA for economic corridors is geopolitical but with a significant economic dimension. Future global corridor wars will be fought under the leadership of the USA and China. Conflicts will be fought on more than one front and most likely by proxy. They will remain within the general context of the new cold wars.

#### 5.4 **PROXY WARS IN PROGRESS**

Currently, two wars are being waged for territorial dominance, one in Ukraine and the other in Palestine. Russia is directly involved in the Ukraine war, but its enemy is a proxy of the USA and NATO. The intention is to isolate Russia, encircle it with hostile states and break its geopolitical linkages with China. Although this war has no direct relationship to the corridor rivalry, to suggest a longer-term connection is not far-fetched.

The Ukraine war has been overtaken by the war in Gaza. It is difficult to comprehend how quickly the war in Ukraine has been forgotten and how Gaza has become such a great threat to the "free world". In the span of less than three weeks, President Biden and his entire national security team visited Israel to discuss its "war with Hamas" and to ensure that Israel is "adequately armed and financed". The visit of the US president was followed immediately by visits of the President of France, the British Prime Minister, and the President of the European Union, and all apparently for the same reason.

Western governments and media insist on naming Hamas as a terrorist monster, as an "existential threat to Israel" and as a "danger to world peace." How can a group of Palestinian guerillas, not more than a couple thousand in number, lightly armed with no armor or air cover, constitute such a universal threat? Hamas has been besieged, blockaded, and encircled by the Israeli Army for years in an area not larger than Greater London. They were driven into the so-called Gaza Strip, which was invented by Israel as a "reservation" to contain and control "troublesome Palestinians" in much the same way that nineteenth century American politicians created reservations for those "pesky injuns" and similarly with South Africa's homeland policy.

It is difficult to comprehend this Western hysteria over "Israel's right to defend itself ". Without going into the polemics of what Israel is defending and against whom, and why this normally security conscious country chose to ignore credible warnings, it is important to ask the basic question of whether Hamas is now attacking Israel within Israeli borders or in Palestinian territories occupied by Israel? Another fact worth noting in this respect is the catastrophic failure of Israel's containment strategy in Gaza.

Neither the cost of this war, to both sides, nor its length, nor the parties involved can justify its declared objective, Israel's self-defense. Had President Biden not introduced his "flagship" IMEEC last September, would the US and its allies have reacted in the same manner? After investing so much in the Ukraine war, there must be an overriding reason greater than Israeli security to compel the West to forsake the war in Eastern Europe.

Following the signature in September 2023 of the MOU to establish IMEEC, the US announced that one of its main purposes is to counter China's BRI by "stimulating economic development through enhanced connectivity and economic integration between Asia, the Arabian Gulf and Europe." President Biden said the new corridor is expected to "improve trade and transit to, from, and between India, the UAE, Saudi Arabia, Jordan, Israel and Europe." The port of Haifa in Israel is IMEEC's Mediterranean gateway to Europe. Its safety is of vital importance to the USA. When viewed in this context, the purpose of the involvement of the USA and its allies in the war in Gaza becomes clear and the great concern of the USA explainable. Gaza is the opening salvo in the new cold war for economic corridors.

Notwithstanding Israel's heightened perceptions of threat, and its fear of being forced to fight its wars inside its borders rather than 'taking them to the enemy's territory", the war in Gaza is an open demonstration of future proxy economic corridor wars. In this case, Israel is the proxy of the USA and the West while Hamas is perceived as the proxy of Iran and, via Iran, of China.

The USA under the Biden Administration considers IMEEC as a strategic counter to BRI and a means to integrate the economies of the oil rich Arab States with those of Israel and India. The port of Haifa assumes a crucial role as the corridor's Mediterranean outlet to Europe and as a hub into Africa. Therefore, the US perceives Hamas's military presence in Gaza a few miles south of Haifa as a threat to its IMEEC and is trying to eliminate it. Moreover, with Hamas and Palestinian civilians under siege in Gaza, the USA realizes that it will not be able to mobilize any financing from wealthy Arabian states.

The port of Haifa assumes a crucial role as the corridor's Mediterranean outlet to Europe and as a hub into Africa. Therefore, the US perceives Hamas's military presence in Gaza a few miles south of Haifa as a threat to its IMEEC and is trying to eliminate it.

The potential threat of Hamas in the vicinity of Haifa, and the fear of not been able to convince the UAE and Saudi Arabia to make a financial contribution to the huge infrastructure needed for IMEEC, explains US close involvement in Israel's war in Gaza. Although the war is conducted on the ground by Israel, it is openly directed, armed, financed, and politically sponsored by the USA, whatever the Americans say. The war in Gaza has superseded the war in Ukraine which has been relegated to secondary status, leaving Mr. Zelensky to galivant from one country to another in a quest for aid.

Given the horrendous cost of the war against Gaza to both sides, a couple of thousand Palestinian guerrillas cannot be of such global significance as to get the USA so much involved. Hamas might indeed pose a threat to Israel, but that threat cannot be "existential" unless all what is said about Israel's military prowess is a fairy tale. If that is the case, the USA should be investigating the huge investments it has been making in the Israeli military machine. To abandon Ukraine and engage

Hamas might indeed pose a threat to Israel, but that threat cannot be "existential" unless all what is said about Israel's military prowess is a fairy tale.. What must be asked is "would the goal of establishing IMEEC as a counter and an alternative to China's BRI take precedence over all else?"

in a war against Hamas, albeit with Israel as its proxy, the USA must have a much more important objective than Israel's safety. What must be asked is "would the goal of establishing IMEEC as a counter and an alternative to China's BRI take precedence over all else?" The answer depends on whether the USA believes Netanyahu's claims of winning the war against Hamas eventually and what will that as yet unachieved victory cost the USA.

Since the outbreak of the Gaza war, American and Indian analysts have questioned the feasibility of IMEEC suggesting it is "wake-up call" about the difficulties the project will face. The same opinion is voiced by the Director of the Institute of Indo-Pacific Studies in New Delhi who said, "in the midst of this conflict, the whole idea of IMEEC is getting lost"<sup>27</sup>

President Biden, working under the presumption that there will be peace in the Middle East, presented IMEEC as his strategic response to BRI. The war in Gaza has rendered the success of his initiative uncertain. Even if this conflict does not escalate into a wider war, the value of the port of Haifa in Israel to IMEEC has been put in doubt. Billions of dollars will be required to build some two to three thousand kilometers of rail for the project. The question that must worry Biden the most is: who dares invest?

Given the above circumstances, the reasons behind President Biden's insistence on destroying Hamas and transferring Gaza's population to other areas far from Haifa, regardless of how long the war lasts and how much it costs in human life, become clearer. It is not unreasonable to conclude at the end of this section that what is taking place in Gaza today is the first salvo in the forthcoming new wars for economic corridors.

<sup>27</sup> https://www.voanews.com/a/israel-hamas-conflict-reality-check-for-india-europe-economic corridor/7323955.P.2.

# 6. SUMMARY AND CONCLUSIONS

#### 6.1 A SHORT SUMMARY

The term "economic corridor" is the modern version of the earlier "trade routes". The movement of people, goods and ideas spatially is as old as organized human communities. Improvements in geographical knowledge and technology made long-range travel possible. The genesis of economic corridors can be traced several thousand years back at least to 4000BC, starting as caravan routes to transport goods and people to cities across Asia, Africa, and Europe. The most famous was the "Silk Road" which linked China via Central Asia and the Middle East to Europe and Africa.

The Silk Road remained in use from the First Century BC to 1453 AD when the Ottomans blocked trade with the West. During "the age of discovery" in the 16<sup>th</sup> and 17<sup>th</sup> Centuries, advances in navigation techniques allowed the discovery of safer and shorter alternative routes rendering the Silk Road redundant. It remained inoperative until the rise of China as a world power at the beginning of this Century. China's President, XI Jinping, reintroduced it as the Belt and Roads Initiative (BRI) in 2013 during his visits to Kazakhstan and Indonesia.

Economic corridors are complex in structure, objective, type, and geographic scope. During the last thirty years they have evolved into important instruments of transnational economic development. Often misrepresented as highways, they go well beyond that by being "integrated systems of route networks, railways, and port facilities that link industrial complexes, centers of demand, manufacturing hubs and cities that are major international trade gateways". In addition to being a means of transport they also **China has been active in** promoting its BRI worldwide and has attracted nearly 180 states either to participate in BRI or to indicate interest in joining. This success has alarmed several countries led by the USA which regard China's rapidly expanding economic might and political power as a potential threat to be countered.

serve as vehicles for transnational infrastructure development and investment.

BRI is China' grand strategy for achieving sustained economic development and enhanced political influence. In 2017, BRI was formally made part of China's constitution. According to Chinese leaders, this was "to confirm China's longterm commitment to promote global economic development, prosperity, and cultural exchange." China launched BRI as its global economic corridor following its successful experience in being a leading participant a decade earlier in the regional corridor, the Greater Mekong Sub-region (GMS).

During the past decade China has been active in promoting its BRI worldwide and has attracted nearly 180 states either to participate in BRI or to indicate interest in joining. This success has alarmed several countries led by the USA which regard China's rapidly expanding economic might and political power as a potential threat to be countered. In the G20 Summit held in New Delhi in September 2023, most of the discussions centered

on how to compete with China's global economic corridor and on the alternatives available.

The signature in September 2023 of a Memorandum of Understanding to establish the India-Middle East-Europe Corridor (IMEEC) was the major outcome of the G20 Summit. The Biden Administration regards this corridor not only as the answer to the threat it perceives from China's BRI but has also made it a key component of its global foreign policy. By having India as a bridgehead for IMEEC, the US hopes to present India as an alternative to China. This is based on the policy of "my enemy's enemy is my friend," which the US adopted in the sixties to assist China's economic development and establish it as a rival to the USSR.

American concern over China's BRI and the economic power and political influence that it brings has been growing for several years. The USA has been slow in taking counter action for the following reasons:

- The close beneficial economic relationships it had established with China.
- China's low-keyed approach to foreign policy, designed not to provoke America's fears.
- Directing the advance of BRI in carefullymeasured steps so as not to counter US interests.
- China's highlighting of BRI's economic goals and downplaying its geopolitical role.
- Reluctance of both states to involve BRI in their differences over Taiwan.
- The peripheral geographic location of the US, compelling it to find a credible partner to act as a bridgehead from Asia via the Middle East to Europe.
- American confidence that its economy and technology lead the rest of the world, and that therefore its position as the sole world power cannot be seriously challenged in the foreseeable future.

The USA came to believe that it could afford to wait and watch China's progress with its BRI. It was not until September 2023 that, together with India, it launched its IMEEC as a counter to BRI and as its global competitor.

China set up its global economic corridor before anyone else for three basic reasons:

- 1. Its pressing needs to sustain its high rate of economic growth for reasons of domestic and international security.
- 2. Its central geographic location, positioned in the middle of the hub, allowed it to create spoke-like linkages between its territories and several neighboring countries and regions without difficulty.
- 3. Its historical experience with the old Silk Road provided a model to be emulated.

The USA and other competitors of China have voiced their concern on more than one occasion that China's push with its BRI is too aggressive and oversteps its "traditional periphery". Some Chinese academics have warned against extending expansion of BRI too far westward to avoid conflict with the USA. With the establishment of IMEEC, conflicts of interest between China and the US become inevitable.

The importance of economic corridors as policy instruments for growth and political influence is increasing. The USA and China are today the major competitors for global corridors. Other states, even those regarding themselves as "powers", and who wish to be involved, must do so either by joining one of the two major powers or confine themselves to smaller regional corridors. This is dictated by the immense geographic scope of global economic corridors and the huge capital outlays needed to finance and secure the cross-border infrastructure they necessitate. Territory with all its physical, economic, demographic, and positional characteristics is a common feature of economic corridors, whether regional or global. Additionally, territory is where power is exercised and economic value is produced. Global economic corridors are both geopolitical and geoeconomic. As policy tools they link the acquisition and exercise of power to territorial dominance, which brings them into the realms of politics. They are also geoeconomic by integrating territory into "value chains" created by cross-border investments in infrastructures aimed at fostering economic growth and development.

The world has witnessed a significant proliferation in economic corridors over the last twenty years. Globalization has played a major part and has nurtured the awareness that territorial integration and cooperation are mandatory for the maximization and sharing of benefits from economies of scale, advances in technology and enhanced connectivity. The need for access to resources and markets to support rapid economic growth has contributed to the proliferation of economic corridors.

The number of economic corridors, both global and regional, is increasing. Billions are spent on setting them up. This is already leaving its mark on international relations and will eventually influence the shaping of the new world order. As instruments of state policy, these corridors carry within them the seeds of confrontation and could be exploited to reinforce "power asymmetries" among states, thus leading to conflict and cold wars.

The rivalry between China and the US goes much further than economic corridors. The US has been the world's sole superpower since the demise of the Soviet Union in the eighties. It has defended its unipolar position by creating "enemies" to intensify the fears of Western European states and rally their support to its leadership. Prof Barry Buzan, in an excellent article on this subject, writes Global economic corridors are both geopolitical and geoeconomic. As policy tools they link the acquisition and exercise of power to territorial dominance, which brings them into the realms of politics. They are also geoeconomic by integrating territory into "value chains" created by cross-border investments in infrastructures aimed at fostering economic growth and development.

"when the cold war ended Washington seemed to experience a threat deficit and there was a string of attempts to find a replacement for the Soviet Union as the enemy focus of US foreign and military policy".<sup>28</sup> The US has been employing this strategy of scaremongering for years to underpin the perceived legitimacy of its unipolarity. First it was Russia, then 'Global Islamic Terrorism'. Now, Iran, China and Hamas have replaced the Soviet Union and Islam as major threats to the Western world, its civilization, democracy and way of life.

#### **6.2 CONCLUDING NOTES**

As the world moves from unipolarity, American policymakers will consider any geopolitical gain by China as its loss. This zero-sum approach is not shared by all partners in IMEEC, not the least because some have already joined BRI. It is also criticized by some American officials. Ex-diplomat Evan Feigenbaum said, "the problem of the US

<sup>28</sup> Buzan B, "Will the Global War on Terrorism be the New Cold War", <u>International Affairs</u>, No. 82, 06/ 2006. PP. 1101-1103.

with its counter BRI strategy is that it is a US narrative while local narratives are nearly always multiplication /addition, not subtraction."<sup>29</sup>

Both geoeconomic expansion through territorial integration and cross-border investments in infrastructure have changed the nature of wars in general and dictated the direction of the forthcoming new cold wars. Rapidly advancing technologies have caused a dramatic rise in the cost of modern warfare and outweigh its anticipated benefits. Classical wars are becoming redundant and unacceptable to people not only politically, but also economically and socially. Even serving senior military officers are distancing themselves from glorifying the resolution of political differences by military means. The unacceptable cost of waging war to resolve political conflicts has prompted states to seek other measures, like cold wars.

Soft power warfare does not rely on the use of arms unless it is unavoidable and can be geographically limited. These new cold wars, with all their variations, will become the most common means of conflict resolution in the future. The proliferation of global economic corridors, with their huge longterm investments, acts as a deterrent to waging classical world wars, especially when costs are considered. Once states join the global economy, they will have an interest in keeping all conflict to a low level and in avoiding direct military confrontation.

The US and China will compete for global economic corridors to enhance their geopolitical influence by forging alliances through the participation of other countries to address any asymmetries of power. Advancing their respective national security and strategic interests domestically and internationally will remain their prime objective. President Biden announced recently, that IMEEC will "buttress US national security," and China's General Q. Liang described BRI in 2015 as a "hedge against the President Biden announced recently, that IMEEC will "buttress US national security," and China's General Q. Liang described BRI in 2015 as a "hedge against the eastward move of the US", meaning the move by the US in 2011 to assert itself in Asia.

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BRI is today the most ambitious and the largest infrastructure initiative the world has ever known. The announcements so far about IMEEC indicate that it is equally ambitious, if not yet as sizable. President Biden views it as his "magnum opus" and the prime competitor of BRI. China will use its corridor to change the global balance of power, while the USA will use its corridor to assert its worldwide influence and maintain a lead position in the forthcoming multipolar world.

The war in Gaza was not intended to be part of this essay. There was no indication that it could be the opening salvo in the wars for global economic corridors. China was not involved in the war and the USA was posturing as Israel's godfather, but without becoming directly involved. As the war advanced and endured against most expectations, the USA and its allies reacted hysterically, expressing unusual concern about Israel's security. Ukraine and the mortal threat of Russia to the "civilized world" have been totally forgotten. News of its progress has vanished from Western media. Within days from the start of the Gaza war, President Biden and senior members of his administration flocked into Israel to encourage Netanyahu, vowing full US military, political and

<sup>29</sup> Clement T. "Biden backs Economic Corridor", https://www. cnbc.com/2023/09/18. CNBC, September 17, 2023

economic support. A few weeks later, the leaders of Europe followed suit.

The US has always been Israel's staunch and unquestioning ally. The ferocity of America's reaction to the war in Gaza, and its military and political involvement, albeit indirectly, lead to the conclusion that this is effectively a US war, with Israel acting only as a proxy. Viewed from the wider macro perspective of the competition with China for global economic corridors, this conclusion cannot be far from the truth. It is otherwise difficult to explain why the USA is mobilizing the entire Western Alliance against a small guerilla band like Hamas, as if this is World War Three. The US Administration must have reasons more vital to its national security than "Israel's right to defend itself." This tragi-comedy argument turns the truth on its head and is an insult to even the feeblest minds. The USA has enabled Israel to occupy Gaza and the West Bank and to ignore several UN Security Council resolutions ordering Israel to withdraw its forces from the territories it occupies illegally. If any party has the right of self-defense, it should be the Palestinian people fighting Israel on their own territories.

Several "Fact Sheets" issued by the White House in 2022 and 2023 show how much President Biden supports IMEEC and how keen he is to get it off the ground. He described IMEEC as a "real big deal" to meet the needs of smaller and medium income countries, and to support the economic and security interests of the United States. He added that the US will invest 200 billion dollars over the next five years and that will demonstrate how millions of dollars paid initially by the United State will mobilize "tens or hundreds of millions of dollars in further investments, and how the tens and hundreds of millions will mobilize billions." <sup>30</sup>

For a more credible explanation to the strong US reaction to the war in Gaza, it is necessary

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to examine the geography, physical structure, functional scope, and membership of the IMEEC. A glance at the corridor's map shows that, without India as a bridgehead between South Asia and Haifa on the eastern Mediterranean coast, the project is not possible. India can take care of itself, but Haifa and Israel are a different story. The US perceives Hamas as a potential threat to Haifa and as an unacceptable risk to its IMEEC for the following two reasons:

- India will be reluctant to be involved in a longterm project which is continually under threat.
- Saudi Arabia and the UAE will also not join, let alone finance the major part which falls within their territories for the same reason.

This scenario becomes more credible if one considers that, a mere two days after the start of the Gaza conflict, US military and diplomatic personnel began attending the meetings of Israel's "War Cabinet" to take an active and direct part in the military operations. This also explains why the USA and Israel are insisting on emptying Gaza, either by transferring its people to other places far from their ancestral home or by massacring them.

The US has invested heavily in developing alliances with many governing regimes in the Middle East which are ready to promote and even finance its

White House, Fact Sheet, Washington DC , June 26 2022.P. 2

policies and strategic interests to secure American protection and American approval to remain in power. The war in Gaza has not gone in accordance with the wishes of the US and Israel, largely because the old imperialistic policies of the West have lost potency. After eighty years of being duped by ideals like freedom, human rights and democracy, a new generation of Arab youth is emerging who are not as dazzled by western ideals as their fathers and grandfathers were. The development of this generation into a popular movement is still in its infancy but its recent "baptism in blood" and their stubborn attachment to their land gives cause for optimism.

Nationalist movements in the Arab world after World War I were elitist and dazzled by the West and its achievements. They believed that by imitating and copying the Western model they could enter the nirvana of Western civilization and live happily ever after. In mine and in several generations after, there was a general belief that our problems lie in our outdated cultural value system and our failure to absorb Western civilization fast enough. The tragedy is that we believed all this nonsense and allowed the European powers to fracture our centuries' old geopolitical unity and socioeconomic connectivity.

The world order is undergoing several changes, the most significant of which is the shift from US unipolarity to multipolarity where China will be a major player. Such changes in the international geopolitical and power centers of gravity are bound to create tensions between China and the USA. As China's BRI advances in the Middle East, especially in Iran, Iraq, and Syria, China will have to intervene eventually to ensure the security of its infrastructural investments. China will bide its time before it makes a move, but by entering Syria, mediating between its ally Iran and Saudi Arabia, and building up a naval presence in the Red Sea, it is sending messages to regional parties and international competitors that it will defend its interests everywhere along BRI's geographic presence.

There are indications that this message has been received and understood by the leaders of the emerging new generation of political activists throughout the Arab world. The rulers of Saudi Arabia and the UAE have moved to establish a relationship with BRI. This confirms their desire to hedge their traditional pro USA position by befriending China. The emerging grassroot political groups, especially in Syria, Iraq and Lebanon, stand to profit economically, politically, and strategically from China's presence in the region.

The Gaza war has revealed a new important, even if unexpected, development. It has created a "security corridor" which integrates strategies of resistance through a chain of countries from Yemen to Palestine, Syria, Iraq and Iran to defend their respective territories and independence. If this succeeds, the establishment of a mega corridor which integrates the region politically and economically and enhances the collective economic development will be facilitated.



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