

Management of Chinese Foreign Direct Investment: “One Belt, One Road” Across Eurasia to Africa and Europe Amidst Maritime Tensions in the South China Sea Region

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Outward Foreign Direct Investment (OFDI) from the People’s Republic of China (“China”) has been expanding worldwide, much as Inward Foreign Direct Investment (IFDI) from the world into China has burgeoned, at least until very recently. Global FDI declined worldwide in 2014, with China’s IFDI declining less than many places elsewhere, resulting in China overtaking the United States as the world’s most attractive location for FDI for the first time since 2003, before India overtook China in 2015 (Iyengar, 2015). In 2014, meanwhile, for the first time, China’s OFDI exceeded its IFDI, rendering it a net exporter of FDI, signaling the end of the approach to the end of China as a developing nation (Yao & Wang, 2014). What does this mean? More than anything else, one must consider two factors in assessing China’s 21st century foreign ambitions: Is its One Belt, One Road (OBOR) a geopolitical tetrahedron as some allege, if so, economically or militarily? Is its maritime policy across the Western Pacific Rim of Asia aimed at constructing a fleet of surface cruisers and submarines to wage a *guerre de course* (war of the chase), much as German vice admiral Wolfgang Wegener urged Imperial Germany to do in world War I then Nazi Germany to do in World War II, in an effort to dominate merchant sea routes thereby disrupting supplies without recourse to a “balanced fleet” such as Britain possessed in World Wars I and II and the United States operates currently? Both China’s “New Silk Road” and the “New Maritime Silk Route” are at the root of a geopolitical tetrahedron. Chinese domination of the South China Sea and to a lesser extent of the East China Sea regions signals its potential *guerre de course* strategy. Is there an antidote to conflict in Asia, if so, what is it?

Keywords: China, *guerre de course* strategy, New Silk Road, New Maritime Silk Route

Introduction

Some European nations trade with China more than do other nations, much as some European countries welcome Chinese trade with their neighbours more than do others. National wealth, or the absence thereof, actual and prospective, is the factor that seems to define what nations support China’s “New Silk Road” and “New Maritime Silk Route”, how warmly they support it, as well as what nations oppose it, and how visible is their opposition. This matter is complex. It begins on a simplistic note: former New Zealand prime minister Jenny Shipley observed that the fast pace at which both new initiatives, “Silk Road” and “Silk Route,” were

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launched enhanced appeal (Flannery, 2017a), but she is wrong: speed merely bolstered deception. Very much akin to the “Fanny Mae” and “Freddie Mac” mortgage scandals in the United States earlier this century, where homeowners leaped into mortgages beyond their affordability thereby leveraging debt and leaving government agencies without sufficient liquid capital to “cushion” losses (Weiss, 2012, p. 2, pp. 17-18), Europe’s poorer nations have raced to accept China’s leveraged largesse (Gomez, 2017), as Figure 1 below reflects for Eastern and Western Europe. This problem will become worse in Eurasia, with so many nations, poorer than most countries of Europe, and USD 900 Billion of Chinese investment or guaranties at risk (Bruce-Lockhart, 2017), as Figure 2 below reflects. Many recipient nations will weep at their leisure. Germany’s ambassador to China Michael Clauss (2017) told the Foreign Correspondents’ Club that many Western nations including the United States seem to be under-estimating China’s “One Belt, One Road” or “OBOR” initiative (Blanchard, 2017). Many recipient nations seem to be over-estimating OBOR and its long-term consequences. Some analysts argue that the relationship between China’s IFDI and OFDI must be understood in special context (Zhang & Yu, 2017). China’s official plan for its “Silk Road” initiatives seems to be well-intentioned, as articulated (NDRC, 2015). However, the question looms: Is China’s OBOR presently, or will it soon become, a global tetrahedron, and if it is or if it does, will this be helpful or harmful to China or to its trading partners (The Week, 2017)? Besides including an economic triangle, will another triangle in this tetrahedron be a military one? At this juncture, suffice it to summarize that OBOR is an example of “bundling” in Chinese outwards mercantilism, a practice whereby in return for its OFDI China expects to receive preferred access to a recipient nation’s product exports, frequently energy or other precious minerals, as an IFDI tradeoff (Aizenman, Jinjark, & Zheng, 2015). To some including German foreign minister Sigmar Gabriel, Chinese officials “should have a ‘one Europe’ policy that doesn’t attempt to divide us”, because believes China uses its investments to influence internal decisions by the European Community (The Washington Post, 2017).

Chinese investors will be likely to weep also when the proverbial “bubble” bursts and recipient nations fail or become slow to repay debt, service the cost structure (interest) of loans, or turn on China politically. What’s worse, Chinese taxpayers may weep when China’s sovereign wealth is tapped to cover guaranties, with that burden expanding across entire regions such as Eurasia and Europe as citizens of recipient nations become required to indemnify loans from China that politicians may have dissipated on frivolous infrastructure, or over-paid cost of construction or land purchase (Fair, 2017), perhaps to their own benefit or to the benefit of corrupt Chinese officials.

That said, “China plans to make the Greek port of Piraeus the ‘dragon head’ of its vast ‘One Belt, One Road’ project, a new Silk Road into Europe” (Horowitz & Alderman, 2017), just as the senior author of this article recommended in 2015 that China do with an initial capital investment of USD 50 Billion to spearhead what he labeled the Marshall of China Chen Yi Plan to include the formation of an East European Infrastructure Investment Bank (EEIIB) at the 2015 International Conference on Diversity in Organizations, Communities and Nations in Hong Kong, then published in a major article entitled “Hybrid Conflict and Encirclement: Reconfiguration of Eastern Europe by NATO, Trade Barriers, and a Chinese Solution for Greece” in *Journal of International Relations & Diplomacy* (Jones, 2015, p. 507). No matter how risky OBOR becomes, construction of a post-Panamax deep water port at Piraeus exactly as the senior author of this article recommended two years ago will make Greece once and forever financially healthy in the face of the myriad of economic obstacles that Germany and other Western European partners imposed upon it as a fishing nation. Even if some Eurasian

states crumble with the weight of OBOR debt, as well some may, this Chinese initiative will be worth its cost in the ultimate analysis if OBOR re-engineers Greece, crafting a “Golden Age of Greece” once more.

Silk Road to Europe

Europe's poorer nations seek trade boost from China's overseas push

Total trade with China in 2016, \$B

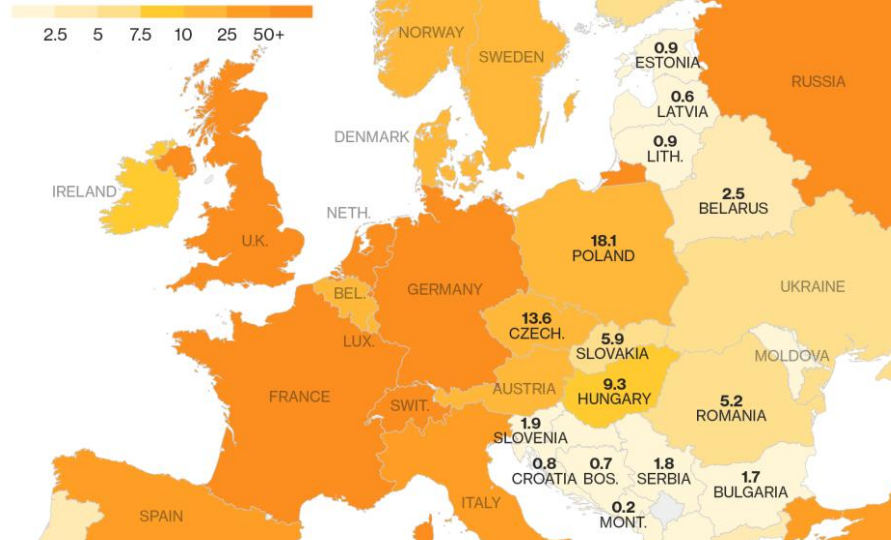


Figure 1. Silk Road to Europe.

Source: James M. Gomez (2017), “China’s New Silk Road encroaches on U.S. turf in Eastern Europe”.

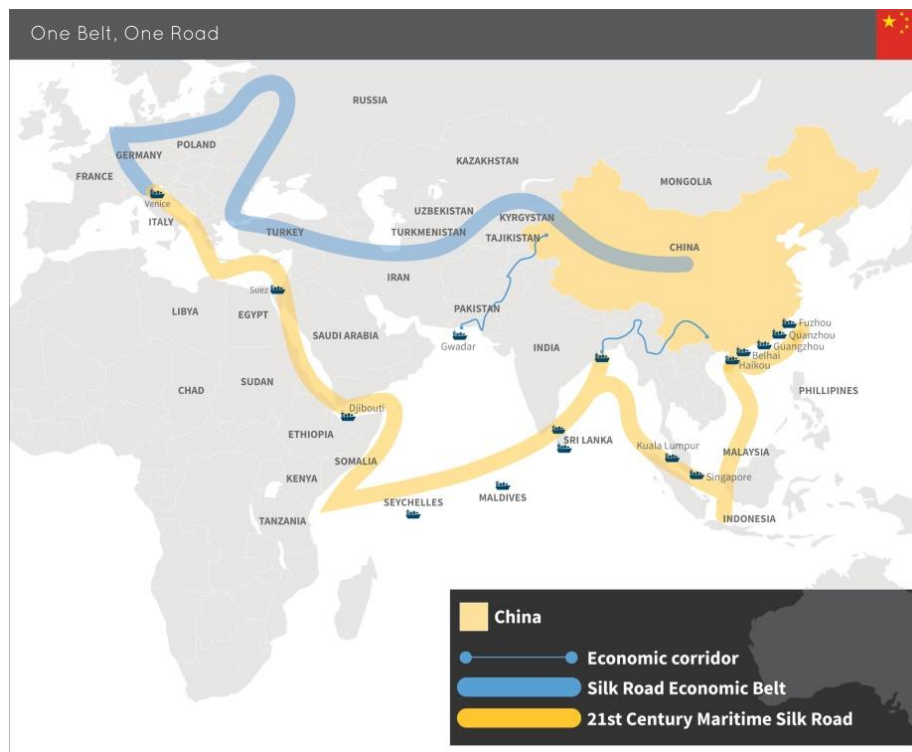


Figure 2. One Belt, One Road.

Source: Joe Ngai and Kevin Sneader (2017), “China’s One Belt, One Road: Will it reshape global trade?”

Chinese Objectives in OBOR

Chinese objectives in OBOR appear to be to “go international”—the textbook remedy for a slowing domestic growth in private sector business, pursued by McDonald’s, Kentucky Fried Chicken (KFC) and many other Western companies that have preserved or improved shareholder value by moving large parts of their sales abroad. Together the “One Belt” that is the overland version “New Silk Road” and the “One Road” that is the maritime version “New Silk Route” will interface with 65 percent of the global population, one-third of the world’s Gross Domestic Product (GDP), and one-fourth of the goods and services traded globally each year, making it very ambitious (Ngai & Sneader, 2017). It is very risky as well, with China aiming to lend up to USD Eight Trillion in 68 countries, mainly on building infrastructure (Bruce-Lockhart, 2017).

China’s OBOR, sometimes termed its “Belt Road Initiative” or “BRI”, involves mainly “building six vast economic corridors—China-Mongolia-Russia, New Eurasian Land Bridge, China-Central and West Asia, China-Indo-China Peninsula, China-Pakistan, and Bangladesh-China-India-Myanmar—across Eurasia and it is set to become the centrepiece of China’s development strategy” (Ehteshami, 2017) at least across Eurasia to Western Europe, as has been said “one infrastructure loan at a time” (Han, 2017a). Is this part of an effort to compensate for a declining trade or the anticipation of a declining trade with the United States (Han, 2017b)? Or, is this China’s effort to recreate “hemispheric integration” as Bentley (1998) analyzed the matter? Or is OBOR a part of a new “Great Game” this time with China instead of Great Britain vying to displace Russian control as well as India over Eurasia (Shepard, 2017a; 2017b), as some have hypothesized in the context of Afghanistan (Sharifi, 2017)? This competition involves China’s maritime component across the Indian Ocean to Africa (Wu, Alden, & Sidiropoulos, 2017). It is this maritime component primarily that China seems to surmise requires control of the South China Sea, to import raw materials that include energy products from Africa, also to export finished products to Europe, then presumably to Africa also as that continent becomes deluged with consumers. Competitor countries will join in, constructing their own passageways from Asia to Europe, as Japan announced it plans to do through Kazakhstan with an agreement reached between its Nippon Express cargo division and Kazakh Railways (Shepard, 2017c).

Beyond other risks is the rather transparent fact that the Russian Federation is less than delighted by China’s entrance into the territory once controlled by the former Soviet Union across Eurasia, although it takes care as a “frenemy” to be seen more as a friend than an enemy in order to keep China as a potential military ally and as an actual purchaser of Russian energy products. Same with Turkey, for different reasons ending in the same desired outcome: Russia dreams of recreating a sequel to the Soviet Union; Turkey dreams of recreating a sequel to the Ottoman Empire, both in the same territorial space across Eurasia. To achieve either delusion, Russia and Turkey must make Eurasian states beholden to them, not to China or any other outside powers. At least momentarily, recipient nations will become beholden to China, and that status may endure for many years to come. According to China in its plan for the “Silk Road Summit” held at Beijing on 14-15 May 2017, it intends through its OBOR initiative to foster a “new era of globalization” rather than to extend its own influence (Ruwitch & Blanchard, 2017).

Infrastructure that China aims to construct will be in the form of highways and railways, sea ports, and airports, together with factories and housing. They will support trade, in some locations trade will consist of supplying China with raw materials including energy, as Africa has done for years already. In other locations, trade will consist of manufacturing products under Chinese labels or purchasing Chinese products for

consumption. Will this be “fair” trade to recipients of Chinese infrastructure investment and to their neighbors and other trading partners? Perhaps the West will think not, although undoubtedly trade will be competitive even among recipients of OBOR infrastructure financing, with each scrambling to receive more largesse than its neighbor by vying to put its infrastructure to better use. If OBOR does succeed, as it should in part at least, its crown jewel should be the deep water seaport at Piraeus, Greece.

Chinese infrastructure tends to be physical, in contrast to Western infrastructure during the original “Silk Road” period that consisted of what one may term “service infrastructure” or banking, communications, healthcare, industrial production and delivery that became extremely technical and dependent upon one another to the extent that they became unstoppable in their advancement during the Middle Ages as Hodgson (1993) observed. Is OBOR designed to advance physical infrastructure then at once to hold back service infrastructure? Be it understood that India excels in delivery of service infrastructure, well ahead of China.

Chinese Objectives in the South China Sea Region

At approximately the same time as it seems to be expanding OBOR, China is accumulating control over many parts of the South China Sea, smaller proportions of the East China Sea, once more as part of a strategy. That strategy is likely to interface with China’s OBOR objectives. Then to the OBOR Chinese foreign economic policy equation must be added a Chinese foreign military policy component: functional fortification of much of the vast South China Sea region (Mogato & Petty, 2017). Much as OBOR appears to be aimed at breaking the former Soviet Union alliance of Eurasian states with Russia, tensions in the South China Sea appear to reflect China’s effort to break up the Association of Southeast Asian Nations (ASEAN), other Pacific Rim alliances with the United States and the other Western nations (Newsham, 2017; Wang, 2017; Wong et al., 2017).

If OBOR is translucent at best, China’s fortification of islands, both natural and artificial, is opaque. Several hypotheses come to mind: (a) China is fearful that energy sources in Africa, Russia, and elsewhere will run dry, and beneath the ocean in at least part of the South China Sea appears to be new sources of fossil fuel; (b) China realizes that soon its “factory to the world” status will be no longer, as cost of labor increases, so it endeavors to become shipper to the world by controlling maritime vessels what pass through key waterways en route to and from China’s seaports; (c) China is aware that it is likely to be replaced as “factory to the world” by ASEAN bloc nations, and so it is planning ahead to control access to and egress from their seaports, perhaps to compel ASEAN manufacturers to ship products from Africa and to Eurasia and Europe across OBOR highways and railways, an obvious way of generating revenue for OBOR recipient nations to use to service and repay Chinese debt; and (d) alternatively, China could be acting defensively, fearful that ASEAN countries or some power behind them might blockade the South China Sea waterways to impede delivery of raw materials or finished products from Chinese seaports, concerned about United States to the rescue (Ali & Stewart, 2017).

An initial question is whether China or any nation has the right to “build sovereignty” in the South China Sea? Sheng Dingli, a professor at Shanghai’s Fudan University, writing in the *All China Review* (November 2015) on the cover of which is presented the anti-Western theme: “Moving from Washington to Beijing Consensus”, strongly argues that this is permissible: “China does acquire sovereign space and water as long as it has the sovereignty of an island, and international law does allow attaching additional structures connected with the island”, citing as examples “Shanghai has expanded greatly since the Song Dynasty by reclaiming land from the sea. Songjiang, now a part of internal land [in China], used to be coastal many centuries ago. Such

reclamation has been continuing all the time. Japan has built Kansai International Airport through reclamation, Hong Kong has done similarly for its current airport and Dubai has engineered its famous World Islands projects for leisure purposes” (Sheng, 2015). Area of the South China Sea is claimed by many countries within that region, as Figure 3 below reflects. International law does depend upon custom and tradition considerably, but that means an interface of historical events involving all countries, not one or some without the rest, and not in the face of a United Nations Permanent Court of Arbitration ruling in *The South China Sea Arbitration: The Republic of Philippines v. The People's Republic of China*, No. 2013-19 decided on 12 July 2016¹.

According to Dean Sheng (2015), China has promised not to interfere with freedom of navigation in and flight over the South China Sea, has offered to use its assets in that area to forecast weather and support sea rescue missions, and, very interestingly, has offered the United States and other countries, as well as international organizations an opportunity to use facilities it is building. This is *déjà vu* of United States President Ronald W. Reagan’s pledge to President Michal S. Gorbachev of the Soviet Union to share the Strategic Defense Initiative (SDI) known colloquially as “Star Wars” with the Soviet Union and other countries, prompting a surprised Gorbachev to respond on 11 October 1986 at Reykjavik, Iceland: “Excuse me, Mr. President, but I do not take your idea of sharing SDI seriously”² (Savranskaya & Blanton, 2006). This reflected lack of trust, and a similar vacuum is present today in the West’s trust of Chinese motives globally and in the South China Sea area particularly. This American posture in the 21st century is almost identical to the Chinese posture in 1986—America intended to use its SDI to enhance its global position (Holmes, 1986)—and to the Soviet posture enunciated by member of the Soviet delegation Georgy Arbatov, who said: “what you are offering requires an exceptional level of trust. We cannot accept your position” (Savranskaya & Blanton, 2006), “directly implying that the necessary level of trust was not there” (Savranskaya & Blanton, 2006). Lack of that necessary same level of trust is the biggest obstacle to peace in the South China Sea region presently. Another big obstacle is China’s putting its horse before its cart, struggling to seduce the world into believing that a new “Beijing Consensus” has replaced the “Washington Consensus” when in fact it has yet to do so, probably never will, even if it does move “from imitation to innovation” as some suggest it aims to do presently (Yip & McKern, 2016).

Whether or not a country proposes to “build” meaning to expand its sovereignty, a derivative issue is what it can do to others with what it constructs? Derivative to that in turn is what it should do morally as a participant in a community of nations, a construct advanced by the British international relations theorist Hedley Bull (1977). As Figure 3 below published in China’s *Brahmin All China Review* underscores, at least six sovereign states advance competing interests in South China Sea region disputes: Brunei, China, Indonesia, Malaysia, Philippines, Vietnam, and to this should be added the Republic of China (Taiwan) that the People’s Republic of China recognizes as a province. Clearly, the posture of China’s neighbors is no surprise to China or its leaders. Rather distant from building a “Beijing Consensus” as Dean Sheng supposes, China’s belligerence in the South China Sea region, China is forging a “Beijing Discord” that casts China in the foul light of a troublemaker in contrast to a peace keeper, an image diametrically opposite to what it avers it wishes to display to its neighbors, its trading partners, or to the world in general (Feldman, 2017). Image management is crucial to China’s rise.

¹ Retrieved from <https://pcacases.com/web/view/7>

² Excerpts of Gorbachev-Reagan Reykjavik [Iceland] Talks, 11 October 1986, Afternoon. See <https://web.archive.org/web/20080119172055/http://www.cnn.com/SPECIALS/cold.war/episodes/22/documents/reykjavik/>

That was the purpose of China's inaugural gala at Hang Zhou (Flannery, 2017b), attended by many nations, shunned by others. Billions of dollars are at risk in the Asia Infrastructure Investment Bank (Glenn, 2017).

Contours of Seidenstrassen

Western observers feel perplexed by the “New Silk Road” that stretches overland from Pakistan in South Asia across Eurasia to Western Europe. They should feel perplexed, because China is portraying a single “Silk Road”, both old and new, whereas others, including especially Barron Ferdinand von Reichthofen, referenced *Seidenstrassen* or “Silk Roads” [plural] to identify a myriad of different nomadic pathways across the steppes of Eurasia, ending up in Central Africa, creating a Eurasian-African cohesion and eventually a unity of Africa with Europe (Christian, 2000). In reality, China's influence over the Silk Roads emanated from the fact that two of the world's largest cities in 1400, Nanjing as the largest and Hangzhou as fifth largest, were in China, as Table 1 below documents, giving credence to “Sinocentrism” (Chase-Dunn, 2016). Is it this centrality of China's mercantile culture that it seems bent on recreating through its “New Silk” Belt and Road initiatives? If so, for what reasons, to lock in sources of energy and other core industrial minerals, as Aizenman et al. (2015) have suggested? Or solely to provide overland transportation corridors? Or to combine transportation with communication links across Eurasia? Or to consolidate tribal pastoral communities along the Eurasian steppes, or to prevent pastoral communities from consolidating themselves? Or to preclude some or all of these objectives from being achieved by neighboring countries including particularly the Russian Federation? Time will tell, but one conclusion is certain: The “Silk Road” initiatives have to be a calculated aspect of Chinese foreign economic policy for the 21st century and beyond, because considerable opposition is emerging along OBOR across Eurasia (Ananthalakshmi & Pham, 2017).

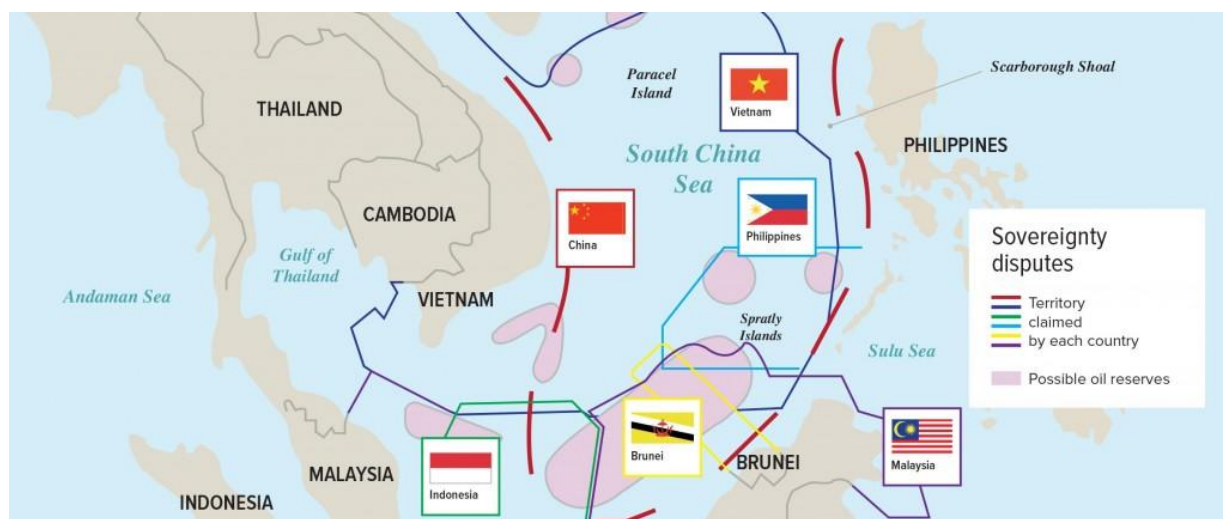


Figure 3. Sovereignty disputes in the South China Sea region.

SOURCE: Dingli Sheng (2015), “Why China has the right to ‘build sovereignty’ in the South China Sea”.

Many different transportation and communication networks made up the “Silk Roads” from the Han Dynasty (206 B.C.E.-220 C.E.) to the Ming Dynasty (1368-1644), encompassing various cultures across the Eurasian steppes (Frank & Gills, 1992; Frank, 1998; Chase-Dunn, 2016), they were only questionably Sinocentric, and the ethnic centrality of these networks varied across space and time (Hopkirk, 1980; Honeychurch, 2015). Another perspective historiographically is that the government of China is concerned

about the prospect of individual or family mercantilistic control over Eurasia, perhaps because factions of Chinese officials have been scoping this environment but one does not want the others to dominate it. Such a scenario would be in accordance with the legendary Zheng Chenggong, known to Europeans as “Koxinga”, who with family members created a network that became a military as well as a mercantilistic empire, based on Formosa (presently Taiwan), equaling or exceeding the powers of the Ming and afterwards the Qing Dynasties (Hung, 2000). No matter whether China’s interest is proactive or reactive, it appears to be clear that China prefers to consolidate the many “Silk Roads” into one network, contending that this feat was accomplished historically, when in fact that is not entirely accurate (Mackinder, 1904; Dhaka, 2005). Beckwith (2011) points out in *Empires of the Silk Road* that that region became home to Attila the Hun, Genghis Khan, Scythians, Turkish, and Tibetan kingdoms. It is important to underscore that because China is advancing similar South China Sea claims, also disproven historically (Jennings, 2017a, 2017b, 2017c, 2017d; Ku, 2017; Woo, 2017).

Table 1

Largest Cities in the World, 1400

World Region	City	Population in thousands
East Asia	Nanjing	1000
South Asia	Vijayanagara	400
West Asia-Africa	Cairo	360
Europe	Paris	280
East Asia	Hangzhou	235
America	Tenochtitlán	200

Source: Christopher Chase-Dunn (2016), “Periodizing the thought of Andre Gunder Frank: From underdevelopment to the 19th century Asian age”.

As Figure 4 depicts below and as Figures 5 confirms, charting the course of “Silk Roads” that followed the terrain: valleys separating mountains and rivers, connecting agricultural centres across arid or barren regions purposefully (Frachetti, Smith, Traub & Williams, 2017). An overlapping network that China labels the “New Silk Road” seems to follow the same path. Actual locations along the “New Silk Road” resemble actual locations along the “Silk Road” of ancient times, and both are different from randomized contours along the path, shaped by “nomadic ecology” or the countryside paths taken by nomadic herdsmen and hunters across many centuries (Frachetti et al., 2017). Significantly, this means that although the “Silk Roads” may well have contributed to a cohesive Eurasia or to joinder of Africa with Europe, their configuration occurred by reason of geographical limitations and preferences of ordinary inhabitants of the region, not the design of China or any other great power, past or present. Chinese loans to African nations have been portrayed to be larger than they are in reality (Benabdallah, Robertson, & Wang, 2016). Similarly, consensus of historiography points strongly to the conclusion that there were multiple “Silk Roads”, each in turn governed locally for the most part, not ruled from afar by any power, Asian or European, China included, except relatively briefly by the Ottoman Empire and the Soviet Union. Perhaps China intends its OBOR to rein in the Russian Federation, to strengthen local governments, particularly as Russia sends warnings to the “Democratic” People’s Republic of Korea (DPRK, or North Korea) in the form of bomber squadrons (Halpern, 2017), implicitly breaking the knot with China over rising DPRK tensions.

China’s fundamental purpose if advancing its OBOR as a land route has less to do with transportation than with communication, as China came to grips with the reality that the West was “re-thinking” Central Asia

(Ismailov & Papava, 2010). Most of its transportation to and from Africa and Europe will be maritime. Chinese objectives are to keep out both the Russian Federation and Turkey from the OBOR regions, to forestall resurrection of either a new Soviet Union or a new Ottoman Empire. Because the best defence is a good offense, China will opt to create its own 21st century “empire” along the OBOR “Silk Road” to gain what it is able to gain from territory coveted by Russia and Turkey. Results will be mixed. Most former Soviet provinces do not take kindly to the Russian Federation’s thinly-disguised wish to re-dominate them, but they present opportunity that China will pursue (Leong, 2017). Some parts of the OBOR territories would consider union with Turkey. An added danger for China is that Turkey is known to supply China’s Northwest Xinjiang Province with support both ideological and logistical for its independence movement—another reason for China to head-off Turkish influence within the OBOR region (Nojonen & Torbakov, 2009).



Figure 4. Geography of inner Asian study zone (in colour) and location of main “Silk Road” cities across Asia 55° N 60° E, 30° N 60° E, and 30° N 100° E, 55° N 100° E.

Source: Michael D. Frachetti, C. Evan Smith, Cynthia M. Traub, and Tim Williams (2017), “Nomadic ecology shaped the highland geography of Asia’s Silk Roads”.

Tensions Along the Western Pacific Rim of Asia

An important question emerges: Is the rise of tensions across the East and South China Seas related in some way(s) to China’s OBOR initiative? If so, in what way(s) and for what reason(s)?

In many material respects, China seems to be bent on constructing a fleet of surface cruisers and submarines to wage a *guerre de course* (war of the chase), much as German vice admiral Wolfgang Wegener urged Imperial Germany to do in world War I then Nazi Germany to do in World War II, in an effort to dominate merchant sea routes thereby disrupting supplies without recourse to a “balanced fleet” such as Britain possessed in World Wars I and II and the United States operates currently. That strategy, largely opposed by Grand Admiral Erich Raeder, failed, although Raeder replaced Wegener before being himself replaced by Grand Admiral Karl Doenitz (Hansen, 2005). What reasons can explain why China wants to conduct “water wars” (Grant, 2017) or a *guerre de course* that never has succeeded historically?

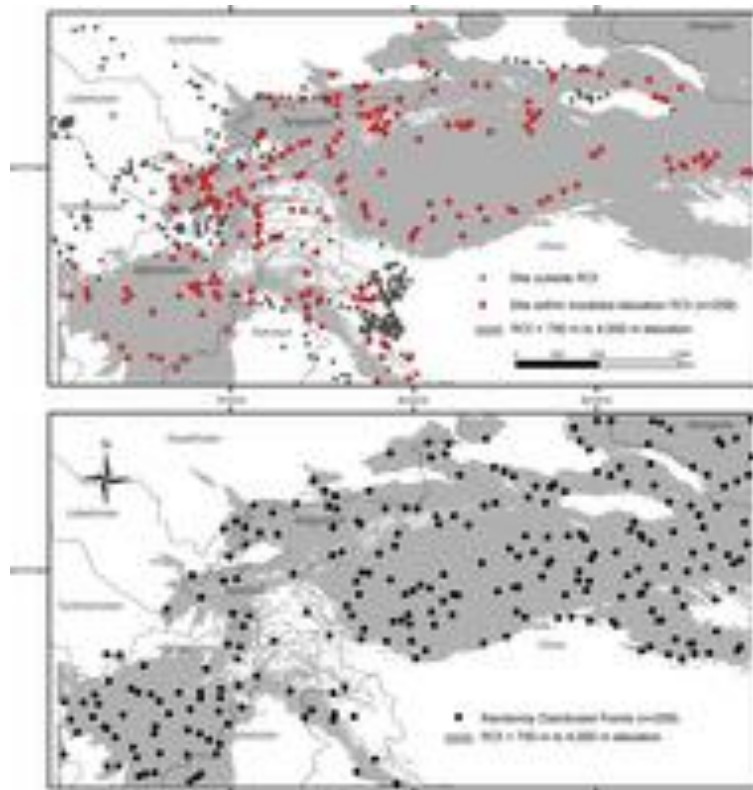


Figure 5. Distribution of “Silk Road” sites versus randomised points across the modelled elevation ROI.

Notes. Top, distribution of known Silk Road Sites ($n=258$) in relation to the modelled elevation ROI (750–4,000 m, in grey).

Bottom, distribution of a single run of randomized test points ($n=258$) generated in relation to modelled elevation.

Source: Michael D. Frachetti et al. (2017), “Nomadic ecology shaped the highland geography of Asia’s Silk Roads”.

An answer to the last question is the easiest. Nations pursue a *guerre de course* when they lack sufficient materiel or trained personnel resources to maintain a “balanced fleet”. Currently, China lacks sufficient warships, and it sorely lacks competent personnel, to effectively operate a “balanced fleet”, and so appears to be gearing up to pursue a *guerre de course* as the next best alternative, following the example of Germany a century ago and a quarter century thereafter. This seems to be the only rational explanation for China’s fortification of islands on the South China Sea. Presumably, China’s ambition is to chase away foreign shipping across that maritime region. That leads into an answer to the first questions. Tensions across the East and South China Seas seem to relate to China’s OBOR initiative, although not conclusively. In the event that merchant shipping across the South China Sea region was to become frustrated, OBOR highways and railways could benefit therefrom. This scenario is negated, at least in part, by China’s construction of deep water ports along its “New Maritime Silk Route”, including its commitment to construct the huge deep water port at Piraeus, near Athens, Greece, as the senior author of this article advised in 2015. An option, possibly the most likely option, is that China endeavors to operationalize its own west coast within Pakistan, Sri Lanka, ports elsewhere, from which to load merchant ships bound to and from Africa and Europe, ports that will be reached by highways and railways across South Asia.

Neither OBOR nor China’s presumptive *guerre de course* on the East and South China Seas is aimed against the United States, European Community, or indeed any nation or bloc outside of Asia. It does seem to be aimed against Japan, primarily, South Korea secondarily, and potentially some or all of the ASEAN bloc

countries unless they cooperate with China and ship products to Europe along the OBOR infrastructure. Neighboring countries of Southeast Asia have tentatively agreed with China on terms and conditions of a Regional Comprehensive Economic Partnership (RCEP) as well as of a “Code of Conduct” for the South China Sea (Voice of America News, 2017). Whether either or both will be sustainable is doubtful.

As Figure 6 below reflects, in 2012 China commenced to purchase islands in the East China Sea from private Japanese owners (Sridharan, 2017), presumably to fortify them discretely much as it has done with South China Sea islands, naturally and artificially. This is another indicator that maritime fortifications along the Western Pacific Rim of Asia are aimed at Japan, primarily, only secondarily at other neighbors or at the West, although China keeps threatening to take action against United States Freedom Of Navigation Operations (FONOPS) in the South China Sea region (Krishnamoorthy, 2017; Rapp-Hooper & Edel, 2017; Ratner, 2017) and its aviation reconnaissance in the East China Sea region (Sonowane, 2017).



Figure 6. Purchase of Japanese Islands by China in 2012.

Source: Vasudevan Sridharan (2017), “Chinese military warns U.S. bomber flying over East China Sea”.

Recent literature has urged the United States to increase FONOPS in the South China Sea region, because of the high cost of stopping FONOPS (Rapp-Hooper & Edel, 2017). This is a mistake. Should it become necessary to conduct FONOPS more frequently, this effort should be part of a United Nations peacekeeping effort, a burden to be shared by the global maritime community. Similarly, recent literature has urged that the United States,

Should supplement diplomacy with deterrence by warning China that if the aggression continues, the United States will abandon its neutrality and help countries in the region defend their claims. Washington should make clear that it can live with an uneasy stalemate in Asia—but not with Chinese hegemony. (Ratner, 2017).

This warning should be from many of China’s trading partners and Asian neighbors standing together, not from the United States only. International law must be obeyed, and international judicial determinations complied with it. Countries that have been parties to judicial proceedings or whose citizens have served as judicial officers have a responsibility to ensure respect and compliance. Such are the responsibilities of a community of nations.

Conclusion

China's OBOR may be a global tetrahedron, economically or militarily, and tensions that have arisen along the Western Pacific Rim at about the same time as the OBOR initiative became prominent may or may not be tied to the "Silk Road" initiatives. Some aspects of China's OBOR stand to greatly benefit the European Community: the deep water seaport planned for Piraeus, near Athens, Greece, just as the senior author of this article recommended presciently in 2015; rail links for cargo and passengers between West China and Europe; investments in diversified infrastructure across Eurasia, undoubtedly to the chagrin of the Russian Federation, increased trans-Eurasian trade that will include many impoverished nations of West Asia. Chinese sovereign wealth that properly belongs to the Chinese people stands at risk if a gargantuan economic "bubble" bursts. In some respects, whether China's OBOR will fail or succeed is up to the Eurasian Community in partnership with China and with the several global investment banks that are providing much of the required financing. This is the reason why an increase in Western Pacific Rim tensions makes no sense whatsoever, and should be solved sooner rather than later diplomatically to avoid military confrontation. What's more, in contrast to fewer, participating nations will be healthy for OBOR, with local governance to be encouraged along the "New Silk Road" as it was along the original "Silk Road" from the Han Dynasty to the Ming Dynasty. Another "Great Game" is in the making, that should be re-thought carefully, with "Great Powers" steering clear of OBOR.

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