

# The New Silk Road: A regional public good for the implementation of the United Nations Sustainable Development Goals

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GENEVA- On September 25<sup>th</sup> 2015, 193 members of the United Nations approved an ambitious 15-year plan to tackle the world's biggest problems, from eradicating poverty, to reducing inequality to preserving the planet. Now comes the tough part: drumming up support and crafting policies to achieve these goals and transform the world.

The newly adopted Sustainable Development Goals (SDGs) constitutes “a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom” supported by the global partnership. It provides a new context for national development and regional cooperation. It also ushers global economic governance into “a new era,” as hailed by UN Secretary-General Ban Ki Moon.

Against this backdrop, it is pertinent to ask whether and how the “One Belt, One Road” initiative, or New Silk Road, can serve the SDGs. The New Silk Road has two parts, namely, the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The concept was introduced in late 2013, by President Xi Jinping of China, and supported by dozens of countries from the region. The broad support for this project, is shown/reflected by the diversity of 57 founding members of the Asia Infrastructure Investment Bank which is one of financial institutions of the New Silk Road.

The New Silk Road is both a vision and an action plan. It aims not only to enhance “five connections” - policy, trade, infrastructure, capital and people-but also, according to China's official “vision and proposed action”<sup>①</sup>, to create a community with “shared interests, destiny and responsibilities”. The modern-day Silk Road will run through the continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other, and encompassing countries that are less developed but with huge potential for economic development. This initiative emphasizes openness and inclusiveness, and neither excludes any country nor seeks any spheres of influence, constitutes the new framework of China's neighborhood policy and is the key opportunity to build a greater Eurasian market.

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① “Vision and proposed actions outlined on jointly building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, available at: [http://language.chinadaily.com.cn/2015-03/30/content\\_19950951.htm](http://language.chinadaily.com.cn/2015-03/30/content_19950951.htm).

## **The New Silk Road intersects with the SDGs in three major ways**

Firstly, the ultimate vision of the New Silk Road is in line with SDGs. As a continuation of the Millennium Development Goals (MDGs), SDGs go beyond addressing the syndromes of poverty, and target the root causes of poverty, from violent conflicts to bad governance. In particular, SDGs put “sustained, inclusive and sustainable economic growth” at their core. The vision of the New Silk Road is echoing the SDGs by aiming at realizing “diversified, independent, balanced and sustainable development in these countries”<sup>②</sup> that participate in the New Silk Road.

Secondly, trade and investment are major economic policy tools for reaching sustainable development<sup>③</sup>. The SDGs document highlights that “international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development”, and “private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation”. As to the New Silk Road, its official blueprint plans to “further enhance trade and investment facilitation, and establish a network of free trade areas that meet high standards”. The action plan calls for innovations in our forms of trade, including expanding cross-border e-commerce, trade in services. The action plan of the New Silk Road also has an element to “speed up investment facilitation, eliminate investment barriers, and push forward negotiations on bilateral investment protection agreements”.

Thirdly, both SDGs and the New Silk Road put great emphasis on infrastructure for industrial development, which in many countries is still a bottleneck for sustainable development. The final SDGs document mentions the word of “infrastructure” 11 times, and the New Silk Road action plan mentions the same word 12 times. In a nutshell, SDGs call for developing “quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all”, in particular related to rural development, energy services, and transportation. Similarly, the New Silk Road recognizes the needs of countries “to improve the region's infrastructure, and put in place a secure and efficient network of land, sea and air passages, lifting their connectivity to a higher level”. The New Silk Road also promotes “green and low-carbon infrastructure construction and operation management, taking into full account the impact of climate change on the construction”.

When the world starts to discuss and take actions to implement the SDGs, the New Silk Road can make its unique contribution by increasing the supply of public goods for the region. First and foremost, it will serve as a new growth center of countries in the region by investing in infrastructures, and the time now is critical according to the IMF study<sup>④</sup>. It is estimated that the investment in infrastructure along the New Silk Road from 2015 to 2019 will reach US\$ 3 trillion, which will create jobs, expand consumption, and boost economic growth. In the meantime, the New Silk Road will facilitate the flow of production factors, the interdependence of economies, and the integration of the backward economies into the regional and global value chains. Furthermore, through policy cooperation and experience sharing, the New Silk Road can help countries to grow together and jointly address poverty, diseases, climate change, environmental protection and sustainable energy.

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② “Vision and proposed actions outlined on jointly building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, available at: [http://language.chinadaily.com.cn/2015-03/30/content\\_19950951.htm](http://language.chinadaily.com.cn/2015-03/30/content_19950951.htm)

③ Ricardo Melendez-Ortiz, “Reflections on global economic governance at the ‘start of a new era’”, available at <http://www.ictsd.org/bridges-news/biores/news/reflections-on-global-economic-governance-at-the-%E2%80%9Cstart-of-a-new-era%E2%80%9D>.

④ “WORLD ECONOMIC OUTLOOK, The Time Is Right for an Infrastructure Push”, Abdul Abiad, David Furceri, and Petia Topalova, September 30, 2014. Available at: <http://www.imf.org/external/pubs/ft/survey/so/2014/res093014a.htm>.

## **Here are a few thoughts about the next steps in building the New Silk Road:**

Firstly, if the New Silk Road has an updated version of action plans, it can be linked even more closely to the SDGs. This will then be viewed as one of the instruments available for countries to develop their national strategy, regional cooperation and their position in global economic governance. Such apolitical linkages will help eliminate possible concerns of certain countries.

Secondly, it is worth further exploration seeking synergy between the New Silk Road and Chinese foreign aid. On the one hand, China has become an emerging donor, or southern development partner, and plays an increasing important role in the post-2015 development cooperation. However, although trade facilitation and infrastructure connections are critical, they won't automatically be translated into economic development, in particular for those people and regions that are in vulnerable situations. If China can strengthen its foreign aid in association with public and private investment in the New Silk Road, that would be a great contribution to the region to achieve the SDGs.

Thirdly, the New Silk Road needs more effective partnerships with various international organizations. The United Nations and its regional offices can be natural partners for the implementation of the New Silk Road in the SDGs context, particularly in capacity-building projects on issues of strategic importance such as climate change, security and anti-terrorism, and gender equality. Equally important, the New Silk Road must work with local, national and international non-governmental organizations including business, think tanks and media, as they are sometimes more sensitive than United Nations agencies to their community and real people, and, among others, can be extremely useful to crisis-prevention and post-crisis management.

Fourthly, the success of New Silk Road will rely on multilateral cooperation among countries in using existing mechanisms such as the World Trade Organization (WTO), Shanghai Cooperation Organization (SCO), ASEAN Plus China (10+1), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM) etc. The G20, the prime forum for international economic cooperation, can be a relevant platform to promote and clarify the vision of the New Silk Road and further engage countries to participate.

Last but not least, in the wake of refugee crisis in the world, particularly in the Middle East which is part of the designed New Silk Road, China could consider accepting refugees and providing humanitarian assistance to the UN humanitarian agencies. It can be an important part of New Silk Road's pillar to enhance "people-to-people bonds", to implement one of the SDGs' guidelines that people who are vulnerable including refugees must be "empowered". The SDGs call for countries to "cooperate internationally to ensure safe, orderly and regular migration involving full respect for human rights and the humane treatment of migrants regardless of migration status, of refugees and of displaced persons. Such cooperation should also strengthen the resilience of communities hosting refugees, particularly in developing countries". According to the Office of the United Nations High Commissioner for Refugees, worldwide displacement was at the highest level ever recorded. The number of people forcibly displaced at the end of 2014 had risen to a staggering 59.5 million. Since early 2011, the main reason for the acceleration has been the war in Syria, now the world's single-largest driver of displacement<sup>⑤</sup>. Positive contributions China makes in refugee settlement will set a positive image of China in the world stage.

The SDGs is a global dream supported by all the states' commitment. Whether it will be just a wish-list on paper relies on how nations take actions and whether regional cooperation can work. There are loads of cooperation everywhere, but we need effective cooperation. If implemented well, the New Silk Road can be an example of effective cooperation for the SDGs by creating public goods for the region and beyond the region.

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⑤ UNHCR's annual Global Trends Report: World at War, available at <http://www.unhcr.org/558193896.html>.