

The Spirit of the New Silk Road - A global Revolution of Creativity and Progress

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Abstract: - The greatest dynamical change on a planetary scale has been brought about by China's „New Silk Road“ or BRI-initiative. It has already succeeded to create a phase shift in international relations for peace and progress through „win-win“ cooperation, instead of geopolitics and conflict and has established new metrics of economic progress. By applying long-term investments into the physical economy, assisted by new credit institutions (along with the BRICS), BRI has changed fundamentally the productivity platform of whole regions of the world, which were heavily underdeveloped, rather than focusing on short-term monetarist profit. The BRI-initiative has become the largest cross-country infrastructure and industrialization program, that has ever existed on the planet. It is quickly moving towards becoming a World Landbridge, interconnecting all continents and peoples, offering „win-win“ cooperation for human development. China's BRI-policy offers China's own experience of lifting 700 million people out of poverty to other nations and contributes greatly to realizing globally the most fundamental human right to development, as defined by the UN Charter.

At the center, China has taken the lead in science, technology and fundamental research to resolve scientific and technological problems which are holding back global economic and industrial development. Like the Old Silk Road, which promoted civilizational progress by the exchange of knowledge, technologies and cultures, the New Silk Road dynamic enables the development of the creative potential of mankind as the real source of wealth. It is of crucial importance for all European nations, to join this process and reinvigorate its own spirit of innovation, progress and creativity, which made Europe great before.

The paper will show how this approach provides the basis for durable peace, including a fruitful dialogue of civilizations.

Key words: Creativity, Silk Road Spirit, Belt and Road Initiative, World Landbridge, New Metrics of Economic Progress, Right to Development, Dialogue of Civilizations

JEL Classification: F, F0

1. Introduction

In 1988, after arriving in the district of Ningde, where he stayed as a regional party secretary until 1990, Xi Jinping wrote a series of speeches and reflections. This area was then a very destitute place, among the poorest in China at that time. The first essay is called “How can a weak hatchling bird be the first to fly?”. Xi's approach to improve this difficult environment for the people is very bold, challenging the self-defeating attitude of pessimism about one's own difficult situation. He first states: “*Impoverished regions cannot have impoverished ideals*”. And then he adds: “*The weak hatchling bird can be the first to fly and the poorest can be the first to become rich.... But to be the first to ‘take flight’ or to ‘become rich’, we must first have such a concept in mind. This will allow us to break through old ways of looking at problems and do things in a positive frame of mind.*” (Xi Jinping, 2016).

This approach has been China's guiding star throughout these 40 years, and it provides the "secret key" to how China achieved its stunning success.

The focus on progress, the common good and creative breakthroughs in science has allowed China to bring 700 million of its people out of poverty in this period, which amounts to 70% of global poverty reduction in this 40 years period, according to the UN. Since 2002, China's contribution to global economic growth has approached 30% on the average, and the Chinese economy has become a major engine for global economic recovery and growth. China has become today the world's leading nation, as exemplified by the density of new breakthroughs and plans in space science, nuclear fission and fusion, high speed and maglev¹ railroad building and excellence in science and education, which will be even more intensified by the "Made in China 2025" program.

At the same time, by the Belt and Road Initiative (BRI), China has offered its achievements and assistance to the world, with the effect that the BRI has spread globally with an astonishing velocity, since 2013. The BRI (along with the BRICS) has thus become an unprecedented catalyst for a global economic development dynamics which is responding to the aspirations of nations around the world, especially in Africa. New credit mechanisms for long-term infrastructure, industrial and agricultural investments such as offered by the AIIB, Silk Road Fund, or the NDB - the BRICS New Development Bank - and other such facilities have enabled real economic growth and the improvement of living standards.

Global economic development provides the basis for durable peace, and solutions to pressing problems such as the migration from the devastated countries in the Middle East and Africa. In the West, to respond to these challenges and to China's offer, we should revitalize those economic and scientific concepts by which today's industrial nations were created in the first place, instead of prevailing financial and monetarist dogmas. Only then, will a true dialogue of cultures be possible and geopolitical confrontation be avoided. The nations of Europe have a special responsibility in this respect.

2. Innovation as a world development driver

What is the secret to China's success? There is no secret, really, just as in Edgar Allan Poe's story "The Purloined Letter".

In addressing the Conference on World Science Literacy in September 2018, President Xi Jinping called science and technology "*the primary productive force*" and innovation a "*driving force behind development*" (Xi Jinping, 2018). In the same spirit, at the Johannesburg, South Africa, BRICS Business Forum, on July 25, 2018, President Xi stressed that it is science and technology that are the key factors of productivity and the increasing prosperity of nations, leading to giant leaps for humanity, as it progressed from an agricultural civilization to an industrial civilization. "*Science and technology, as the primary production forces, have provided inexhaustible power driving progress of human civilization.*" And he put the challenge: "*...the next decade will be a crucial one in which new global growth drivers will take the place of old ones. A new round of revolution and transformation in science, technology and industries featuring artificial intelligence, big data, quantum information and bio-technology are gaining momentum. They are giving birth to a large number of new industries and business forms and models and will fundamentally change global development and people's work and lives. We must seize this important opportunity to enable emerging markets and developing countries to achieve leapfrog development.*" (Xi Jinping, 2018)

According to China's State Council Information Office's White Paper on "China and the WTO" (June 2018), more than 80 countries and international organizations have signed cooperation agreements with China, since 2013. From 2013-2017, the total value of China's trade with other BRI countries exceeded \$5 trillion and total investment by Chinese enterprises in these countries exceeded \$70 billion. By the end of 2017, Chinese enterprises had set up 75 overseas and trade cooperation zones in relevant countries, contributed more than \$1.6 billion in taxes to the host countries and created 220,000 local jobs (White Paper, 2018).

¹ Magnetic levitation rail transport.

In 2017, China's trade with its BRI partners accounted for 40% of global trade in goods, in terms of value, according to a report of the China Media Group (Chu Daye, 2018). China's ports now connect with 600 other global ports, while the number of freight trains that travelled between China and Europe has risen to 10,000.

According to a report released by the International Labor Organization (ILO) on Latin America and the Caribbean regions, - "*Effects of China on the Quantity and Quality of Jobs in LA and the Caribbean*" -, China created 1.8 million jobs from 1990, to 2016 (Peters & Armony, 2017). The level of cooperation in the context of BRI in this region has increased in an unprecedented way.

As a continent, it is Africa, which in President Xi's view holds the greatest **potential** for development in the world today, especially due to its huge and quickly growing young population. This is very different to the Western dictum of Africa being the biggest **problem**, the source of refugees, terrorist activities, supposed overpopulation - in other words, a "dark continent", which will never come out of misery and corruption. Not mentioned in this narrative of course is Western colonialism, looting and regime change wars, which have caused the present situation.

As announced at the September 2018 FOCAC Summit in Beijing, China will be investing another \$60 billion in Africa over the next three years – including \$ 15 billion of interest-free and concessional loans, \$ 20 billion in credit lines, a \$ 10 billion special fund for financing development, a \$ 5 billion special fund for financing imports from Africa and for encouraging investment by Chinese companies in Africa, to the tune of \$ 10 billion financing.

In the presence of more than 50 heads of state from Africa, President Xi welcomed Africa "...to the express train of Chinese development...", inviting other partners to also help in assisting Africa's development and to explore a new path of international relations. To meet the challenges of the time, he announced that China will push forward the development of the BRI and make, as such, a greater contribution (Xi Jinping, 2018).

South African President Ramaphosa, who co-chaired this meeting with President Xi Jinping, refuted sharply those who claim that China is creating a debt-trap for Africa, reminding them of their own colonial past, while the new African Union's (AU) chairman, the President of Senegal, described the new perspective for Africa as "a golden age" (Xinhua, 2018).

The BRI initiative is in synergy with the African Union's "Agenda 2063", which foresees the construction of a trans-African system of high-speed trains crisscrossing the continent, the development of huge water and electrification projects - such as the Grand Ingra Dam -, the full industrialization of Africa and the complete elimination of poverty 100 years after the formal ending of colonialism.

Europe should participate and assist in this dynamic of peace through joint "win-win"- economic development, together with China. What better way of combating hunger, disease and solving the root causes of migration, than cooperation in the development of Africa?

3. The Science of Physical economy defines the new metrics of progress

Why was not this policy adopted in the West, so far? The short version is that, since the collapse of the Bretton Woods system in 1971, the Anglo-American policies went into the opposite direction of monetarism, financialization, short-term profit, deregulation, privatization, coupled with austerity and a growing anti-science bias, which in various stages, has ruined the physical economic basis of the world economy.

After 2008, any serious financial reorganization (the *Glass-Steagall Act* enacting the separation of investment and commercial banks) was blocked, and instead, new financial liquidity issued through the central banks entered the global speculation system, leading to the new great danger of an uncontrolled crash of the over indebted and overleveraged transatlantic financial system. In contrast, China's policy of issuing credit for real economic projects, especially in the field of infrastructure, creates a physical surplus and improves the overall productivity (Askary & Ross, 2018).

The European nations and the United States have to turn again to their own economic history of long-term investments into infrastructure and productive innovations in the economy, policies that created the Western industrial nations in the first place. To name just the most important contributors to this success:

- Gottfried Wilhelm Leibniz (1646-1716), the great German universal scientist and philosopher, founded

the science of physical economy, based on the development of productive powers and the creation of ever more productive economic platforms through technological innovations (such as the steam engine). Leibniz, who was in dialogue with Czar Peter the Great, admired Chinese science and philosophy, as witnessed in his book *Novissima Sinica* (1697).

- Alexander Hamilton (1757-1804), the first Treasury Secretary of the United States after the American revolution, created the First National Bank for facilitating industry, agriculture and a transport system. He also laid out the policies which became known as the “American System of Political Economy”, in his Three Reports to Congress (Hamilton, 1790-1791);
- The German-American economist and railroad pioneer Friedrich List (1789-1846) identified the “*planting of the productive powers of nations*” as the key for economic success, as opposed to the British monetarist theory of value (Adam Smith). The latter only deals with the simple exchange of values and trade, on how to “*buy cheap and sell dear*” and neglects the necessary dirigistic role of the state; List instead calls the “*spiritual capital of the population*” the “*true wealth of nations*”, which must be developed and protected. In his “National System of Political Economy” (List, 1841), he refutes the British “*free trade dogma*” as a trick to kill in the cradle the industrial development of other nations. List compares the intellectual work in society, which increases the power of man continuously by new innovations, to the soul in the body. Scientific breakthroughs by individuals are of key importance, because they create progress for mankind as a whole. And he stresses, that each nation is only productive to the degree to which it is able to absorb the achievements of previous generations, followed by a multiplication of its own achievements. For that to happen, this includes the protection of newly arising industries by tariffs, the productive credit policy, and a focus on infrastructure and education by the state, to create the environment for the private industry to flourish. His dirigistic policies were accepted and applied by German statesman and Chancellor Otto von Bismarck and created the basis for Germany's industrial success in the 19th and 20th century. Lists writings were quickly translated in many languages and became influential in Russia (Count Sergej Witte, 1849-1915), China (Dr. Sun Yat Sen, 1866-1925), India, Japan, and European countries such as Hungary and Romania (Peter S. Aurelian, 1833-1909) among other nations (Wendler, 1989). Today, in China, there is renewed interest in List's ideas (Jones, 2016).

4. Global Cooperation for “Peace through Development”

In the last 50 years, the American economist Lyndon LaRouche has developed the Science of Physical Economy (including the principle of the necessary increase of energy-flux density as decisive for economic progress, and the increase of the relative potential population density as a yardstick for economic success). His **Four Laws** were formulated with a view to coming out of the crisis after the crash of 2008, placing at the core the banking separation (a new “Glass-Steagall”- law), the sovereign credit policy for the real economy (National Bank), transcontinental infrastructure projects and a science driver policy (fusion energy, fission, space program) (LaRouche, 2017).

On this conceptual basis, since the fall of communism in 1989, the Schiller Institute has presented studies for Eurasian Development and the World Landbridge (see appendix 1), as a basis of durable peace through joint economic development, such as, for instance, “*The New Silk Road becomes the World Landbridge*” (in 2014 and 2018) and “*Extending the New Silk Road to West Asia and Africa*” (2017).

Only by cooperating with the new reality of the Belt and Road Dynamic, will Western Europe and the US be able to get out of the deep crisis the transatlantic system is presently in, including the very real danger of a new financial crash, worse than the 2008 one. It will also only be on that road of “win-win” cooperation and common understanding, that world peace can be achieved and the Thucydides trap be evaded.

There are many positive signs that this is entirely possible, provided the axiomatic of the spheres of influence, old bloc thinking and confrontationist geopolitics are left aside, and a positive approach is taken: The new reality in North Korea, in which China, along with Russia together with the United States are playing a key role in settling this heretofore seemingly “impossible” problem, by offering an overall perspective of the regional and the Eurasian economic development.

The intensified economic and strategic cooperation between Russia and China, as witnessed at the Eastern Economic Forum in Vladivostok in September 2018, which was attended by President Xi and also by President

Abe of Japan, who called for an end of all the “post war thinking” in Asia. President Abe is working for a peace treaty with Russia, while also upgrading relations with China. India is improving ties with China and recently, we have seen very unprecedented steps towards improving relations with India by the new Pakistani Prime Minister Khan.

The key nation, that must be won over for really creating a lasting new world order, based on development and not on British-style divide and conquer and geopolitical confrontation is the United States. As we saw in the unprecedented meeting of President Trump with the North Korean leader Kim Jong Un, President Trump’s stressing of good relations with President Xi Jinping and his continuous emphasis that he wants to reestablish good relations with Russia, this is very possible. It will be decisive for the world peace, whether the forces of cooperation can win over in the USA and defeat those who try to cling to the old “divide and conquer”- system of geopolitics (Zepp-LaRouche, 2017).

China has also offered substantial reconstruction aid for war-torn Syria and other devastated nations of the Middle East, which will be the precondition for durable peace, once this regime-change war has been finally ended. Russia has been organizing for economic reconstruction of Syria, to help stabilize the majority of the country, so that refugees can return. Europe must cooperate in this respect.

There are more and more countries in Western Europe, who have understood that it only through economic development, that social stability and peace are possible, both at home and abroad. In addition to the 16+1 (CEEC) initiative, to be noted in this respect, are the efforts of the Italian government, which has set up a special taskforce for working with China on investments into infrastructure and on cooperation in infrastructure and development projects in Africa. Especially important in this respect is the support of the government for cooperation with Power China on the project to refill Lake Chad, a continental project, politically agreed upon by 8 leading governments of the region at the February 2018 conference in Abuja/Nigeria. In autumn of 2018 Greece has signed a MoU for cooperating in the Belt and Road project, providing an economic perspective for the nation, which has been hard hit by EU-imposed austerity and the refugee crisis. Austria is engaged to link up with the Silk Road and the Eurasian Economic Union (Vienna Institute for International Economic Studies, 2018); Spain and Portugal are very interested in cooperating on the Maritime Silk Road; while in Germany, industry on all levels is engaged and looking forward to more opportunities of cooperation with China and the BRI.

5. Conclusions

There are many opportunities now for realizing the common aims of mankind and building our common future, especially necessary today, in a world situation with great dangers, even the threat of a nuclear annihilation of civilization. So, Europe should take this golden chance for a new paradigm of cooperation and link up with China, Russia, India and all the other nations, which are striving for development. To promote such a global peace and progress alliance, the Schiller Institute has issued an international resolution, calling for a new strategic alliance for development and a New Bretton Woods global credit system instead of geopolitical confrontation and war, to be formed around a core of the most powerful nations, namely China, Russia, India and the USA (Schiller Institute, 2018).

With the New Silk Road, a powerful idea has materialized and will not go away. It has already become an institution, which has changed the world forever. The genie of human progress, the Promethean Fire, is out of the bottle and cannot be put back in again.

The nations of Europe should work for a constructive cooperation with China in this respect, to realize the true “win-win”-potential for humanity.

In this context, the 16+1 Initiative is an extremely important element in the momentum for prosperity and growth, enabling Eastern and Central European nations to reactivate their productive forces and scientific potentials for the overall project of Eurasian development and a new economic, science-based impetus. (Fimmen, 2018). The launching of the “China-CEEC Science, Technology and Innovation Partnership Program” in July 2018 in Bulgaria is very promising in this respect, along with the various infrastructure and economic programs already brought on the way.

Romania as a key Black Sea and Danube country can become a real hub of overall Eurasian development. With its rich history in science, especially nuclear science, and a strong tradition in cooperation with developing countries, Romania has a great potential, outside of any geopolitical schemes, to participate in launching the creative spirit of the New Silk Road as a global “win-win”-policy (Bellea-Noury, 2018).

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