
DEVELOPMENT OF COOPERATION BETWEEN COUNTRIES ALONG THE SILK ROAD ECONOMIC BELT DURING THE COVID-19 PANDEMIC

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Abstract. The article discusses questions regarding the impact of the COVID-19 pandemic on the foreign economic cooperation of countries. It analyses the situation in the world before and during the pandemic and also considers the main steps out of the crisis and further cooperation along the of the Silk Road Economic Belt.

Key words: *Pandemic, Multi-vector Interaction, Economic Development, Coronavirus, Silk Road, World Community.*

COVID-19 ПАНДЕМИЯСЫ КЕЗІНДЕ ЖІБЕК ЖОЛЫНЫҢ ЭКОНОМИКАЛЫҚ БЕЛДЕУІ БОЙЫНДАҒЫ ЕЛДЕРДІҢ ЫНТЫМАҚТАСТЫҒЫН ДАМУ

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Аңдатпа. Мақалада COVID-19 пандемиясының елдердің сыртқы экономикалық ынтымақтастығына әсері туралы мәселелер қаралды. Пандемияға дейін және пандемия кезінде әлемдік қоғамдастықтағы ахуалға талдау жүргізілді, сондай-

ақ дағдарыстан шығудың негізгі қадамдары және Жібек жолының экономикалық белдеуі бойындағы ынтымақтастықты одан әрі дамыту мәселелері қаралды.

Түйін сөздер: пандемия, көп векторлық, экономикалық даму, коронавирус, Жібек жолы, әлемдік қоғамдастық.

РАЗВИТИЕ СОТРУДНИЧЕСТВА СТРАН ВДОЛЬ ЭКОНОМИЧЕСКОГО ПОЯСА ШЁЛКОВОГО ПУТИ ВО ВРЕМЯ ПАНДЕМИИ COVID-19

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Аннотация. В статье рассмотрены вопросы касательно влияния пандемии COVID-19 на внешнеэкономическое сотрудничество стран. Проведён анализ ситуации в мировом сообществе до и во время пандемии, а также рассмотрены основные шаги выхода из кризиса и дальнейшее сотрудничество вдоль Экономического пояса Шёлкового пути.

Ключевые слова: пандемия, многовекторность, экономическое развитие, коронавирус, Шёлковый путь, мировое сообщество.

Currently, according to many heads of state, there is a solution that can lead the countries to cooperation, joint prosperity, joint development and comprehensive advantage, that is *one belt and one road* or as it is also called the Silk Road. This is the path of mutual understanding and trust, multi-vector interaction, peace and friendship. It is these words that we have heard in recent years and we continue to hear them from Chinese senior leaders.

More than 2000 years ago, the Eurasian most courageous and hardworking people opened several trade routes and human communications associated with the civilizations of Asia, Europe and Africa. Later they called these routes the Great Silk Road. For centuries and millennia, the main value of the Great Silk Road has been passed from hand to hand and from generation to generation. Its main meaning was peace and cooperation, openness and tolerance, borrowing and sharing experience, advantages and benefits. This

road has contributed to the development of human civilization in general, and, accordingly, to the prosperity and development of neighbouring countries, in particular. The Great Silk Road is a symbol of the connection between East and West, a common heritage of history and culture of all peoples of the world. In the 21st century, in the era of peace, prosperity, cooperation and common good, a rather slow recovery of the world economy, the international and regional situation remains quite complex and confusing. Currently, it is especially important and urgent to continue and develop, first of all, the importance of the Great Silk Road.

The modern world is undergoing profound and complex changes. The global financial crisis is still felt in its severe consequences, the world economy is slowly recovering and is not one-sided in its development. Over the years, there has been an important change in the international structure of trade and investment, as well as

in multilateral investment and trade policies. In this situation, one country after another faces serious development challenges. The joint creation of *One Belt and One Road* responds to the call of the modern world for multipolarity, economic globalization, cultural diversity, social digitalization and maintaining the spirit of open regional cooperation and overall independent trading system. The whole world is open to the global economy. Establishment aims of *One Belt and One Road* are to promote free but regular movement of labour, highly efficient resource allocation and deep market integration. In the future, the project will enable the countries along the Silk Road to adjust their economic policies to a higher, larger scale and deepen regional cooperation forming jointly a structure of open, tolerant, balanced and profitable regional economic cooperation. For many years, this mega project, even in the West, was considered one of Beijing's main tools for expanding and strengthening its influence on the planet.

This is how many countries saw their future before the 2019 global pandemic, which hit the whole world.

Now COVID-19 clearly shows that the Chinese mega project, in addition to investments and loans, can export the problems of one large country to other countries. These are the phrases that are heard from the stands of the project's opponents.

Today is another critical moment for the exchange of technology, ideas and goods. Moreover, the intensity and speed of such exchanges have reached an unprecedented maximum in the history of the planet. It explains the massive spread of COVID-19 pandemic. According to a computer model created by health experts at the Johns Hopkins Center for Health Security, diseases such as COVID-19 can spread across the planet in

six months and kill about 65 million people in a year and a half [2].

According to him, China is under enormous pressure from the current situation. Today, Beijing's priority is money. China needs to strike an acceptable deal with the United States in a trade war. Moreover, now the Republic of China has to deal with both the economic and financial consequences of the coronavirus epidemic.

The rapid spread of COVID-19 on all continents, which was officially recognized as a pandemic by the World Health Organization (WHO), which, among other things, allowed companies to abandon contracts on the basis of Force Majeure, could not but affect such a large-scale project as *One Belt, One Way*. This caused many delays and disruptions in many BRI projects, jeopardized a year of planning and tens of billions of dollars of economic diplomacy spent on its implementation.

Work on the China-Pakistan Economic Corridor (CPEC) has reached an impasse, the project cost exceeds \$ 60 billion [3]; in the Sihanoukville Special Economic Zone (SSEZ) in Cambodia at the Payra large coal power plant in Bangladesh. Many projects have been suspended or postponed in Sri Lanka, Indonesia, Malaysia, Myanmar and other countries.

In the literal sense of the word, the United States has also made every effort to wage a kind of war against the *One Belt, One Way* Project.

Numerous projects have been halted due to the coronavirus.

However, most of the leaders of the countries took the situation in hand and tuned in to fight.

In the current difficult conditions, the countries have united and together began to overcome the new challenges of our time.

No matter what to be discussed – politics

or economics – the topic of coronavirus is always accompanying. The most important conclusion that can be drawn in connection with the epidemic of a new type of coronavirus is that all countries shall, hand in hand, build a community of the common destiny of the mankind.

Political manipulations only give the virus a favorable opportunity to break up everyone one by one.

The virus is the common enemy of the humanity and solidarity and cooperation will be the strongest weapon against the virus. The epidemic, at the cost of human lives, teaches us that countries shall overcome geographic, ethnic, historical, cultural and even social differences and, hand in hand, build a community of the common destiny of the mankind and jointly protect our planet.

In recent months, the Chinese side has launched the largest global emergency humanitarian campaign since the establishment of the republic in order to implement the concept of a community of the common destiny of the mankind. They provided emergency assistance to almost 150 countries and 4 international organizations, including helping them to urgently solve existing problems. At the initiative of the PRC, thematic videoconferences of health experts were organized for more than 170 countries. China unreservedly shared its experience in diagnostics, treatment, prevention and control measures.

China, observing all quality standards, has launched a large-scale production of medical devices and equipment that are in demand all over the world. Only medical masks and protective clothing were exported for 56.8 billion and 250 million, respectively [4].

The PRC seeks to help others and never stands aside, despite the fact that some

political forces have fabricated various negative interpretations of the intentions of the Republic of China.

For example, the United States and other Western countries accuse China of luring their partners into debt bondage. They are forced to pledge copper mines, ports and other assets. China rejects this criticism. Everything China has done has never pursued any geopolitical goals, never had any economic calculations and never set any political conditions.

According to diplomats, the PRC's only goal is to save lives and help people as much as possible. After all, not only politicians, but the whole world is convinced that combating the spread of the epidemic in only one country is not the end of the epidemic, real victory will come only when the infection is suppressed in all countries.

As the country's ambassador, China intends to continue to provide assistance within its capabilities to countries in need, to carry out in-depth international anti-epidemic cooperation for the final victory of the mankind over the pandemic. At the same time, the ambassador stressed that the world will no longer be the same and that it is necessary to move forward.

Today, it may be affirmed that the Chinese social system and management system have withstood a comprehensive test of strength. The Chinese economy will emerge from the epidemic more stable and powerful, the people will more united and confidently follow the path of socialism with Chinese characteristics and continue the process of the great revival of the Chinese nation.

In this current situation, it is necessary, first of all, to ensure the development of the country's diplomatic services, which will be adapted to the new situation and the solution of new problems, with the gradual creation of more favorable conditions for resumption

of interstate exchanges. Countries shall take effective measures to strengthen mutually beneficial international cooperation and the overall development of the world. The world shall promote international contacts to reduce the level of poverty, make an even greater contribution to implementation of the global agenda for sustainable development for the period up to 2030.

For example, Chinese diplomacy intends to focus on five priority tasks on the background of a constant fight against the epidemic. In particular, to promote domestic development, maintain the stability of the global industrial and supply chains, stimulate trade and investment and resist pressure from the downward trend in the global economy.

The task is to firmly defend state interests, the interests of national sovereignty, security and development and resolutely restrain attempts by external forces to interfere in the internal affairs of each country.

Now it is simply necessary to deepen partnerships, develop relations with major powers based on maintaining stability, deepen the points of contact of state interests with neighboring countries and strengthen cohesion and friendship with other partners.

Today, China intends to firmly defend multilateralism, promote global governance of the health system and support the WHO's role in global anti-epidemic cooperation.

The most important issue is expansion of the international cooperation in prevention and control of the epidemic, interaction in the health sector within the *One Belt, One Road* initiative.

Despite the very difficult epidemiological situation around the world, non-interference in the internal affairs of each individual state is included in the fundamental norms of international relations that shall be observed by all countries and no attempts to interfere

in the internal issues of this or that state are inadmissible.

China will continue to build *the Belt and the Road* together with other countries because the impact of the pandemic on cooperation under *the Belt and the Road Initiative* is temporary. From a general and long-term perspective, going through the struggle in the face of the epidemic will strengthen the foundation for joint building of the initiative and make the prospects broader. Over the past seven years, China has signed *the Belt and the Road Cooperation* documents with 138 countries, jointly launched more than 2,000 cooperation projects and addressed the issue of employing a huge number of people [1].

During the epidemic, many of the infrastructure projects of this initiative played an important role in the fight against the epidemic. For example, against the backdrop of a large-scale suspension of air flights, the number of trains on the China–Europe route from January to April alone increased by 24% compared to the same period last year.

Over the past seven years, China's aggregate trade with countries along *the Belt and the Road Initiative* has exceeded \$ 7.8 trillion and direct investment in these countries has reached 110 billion dollars. Despite the negative impact of the epidemic, China's investment in the countries of the Initiative has increased by 11.7% in the first quarter of this year and the volume of trade increased by 3.2%.

That is why it will be necessary to work even more diligently to promote the Digital Silk Road, create new growth points for the economic development of countries and give a new impetus to the recovery of the global economy. After all, globalization is an irreversible trend in the world development and a powerful impetus to human progress.

In turn, our country, as a loyal partner of the PRC, despite the difficult economic situation, also did not stand aside during the pandemic.

Kazakhstan is providing neighboring countries with all possible assistance in overcoming the consequences of the coronavirus pandemic.

As a responsible member of the international community, Kazakhstan, as far as possible, provides the necessary humanitarian aid to partners in a difficult situation due to the pandemic.

As part of the fight against COVID-19, humanitarian aid was provided to Kyrgyzstan and Tajikistan in the form of deliveries of a total of 10 thousand tons of flour. As stated in the press release, “This assistance aimed at meeting the needs of fraternal and friendly countries in these difficult days was highly appreciated by the authorities of Tajikistan and Kyrgyzstan.”

It should also be noted that it was Kazakhstan that became one of the first countries to supply medical protective equipment to the PRC amid the outbreak of the coronavirus infection.

Today, the provision of humanitarian aid is an important component of the Kazakhstani foreign policy. In recent years, Kazakhstan has provided humanitarian aid to many countries.

According to the information, the Turkish investors operating in Kazakhstan (YDA Group and Nobel İlaç) rendered the country the humanitarian aid in the form of medicines and medical materials. The activities of these organizations are a vivid example of mutual assistance between the two fraternal countries. After all, the quarantine period will end sooner or later, then the consequences will play a great role in international affairs.

Even if one avoids harsh epithets

such as “collapse”, “disintegration” or “catastrophe”, it is clear that the world considered *global* ceases to exist and rests only on the manifestation of goodwill of the leaders of the largest states of the world. Now, at the peak of the pandemic, the greatest optimists of globalization admit that the end of the quarantine period is still very far away and many old habits and the general course of things that was considered *natural* may never recover.

The global coronavirus pandemic has major geopolitical implications. The world will never be the same. However, there is clearly no time to say what it will be like. The outbreak has not yet passed and global epidemic have not yet reached its peak.

To date, the coronavirus has buried all the main legends of globalization:

- the effectiveness of open borders and the cohesion of all countries of the world;
- the ability of supranational institutions to cope with an emergency;
- stability of the world financial system and the world economy as a whole in the face of serious challenges;
- the futility of centralized states, socialist regimes and disciplinary methods in addressing major issues and the complete dominance of liberal approaches to them;
- the complete success of liberalism as a means of addressing all problem issues.

All this turned out to be ineffective in countries such as Italy, other EU countries infected with the virus or the United States. On the contrary, the abrupt closure of the society, reliance on internal resources, strong state power and separation of the sick from the healthy people, citizens of the country from foreigners, etc., gave their results.

Despite how the war on coronavirus ended, globalization has undoubtedly failed.

The new multipolar world is likely to be something like this: some regions of

the world, civilizations, continents will gradually have independent players.

Much depends on who and how can defeat the epidemic, if effective, disciplinary measures will become an integral part of the future political and economic structure. Temporary isolation dictated by the immediate threat of infection from other countries and regions, separation of economic ties and the necessary separation from a single financial system will force states with the epidemic to rely on their own forces, such as food security and a certain economic autonomy. Even if liberalism and capitalism remain, they will be placed in a national framework in the spirit of mercantilist theories that will seek to keep the monopoly of foreign trade in state hands.

It is impossible to say in advance what a multipolar world model will look like. However, the very reality of violation of the universally binding dogma of liberal globalization will open up completely new opportunities and paths for any civilization.

Of course, this will lead to the redistribution of forces and functions in other civilizations. If Europe maintains its unity, it is likely to create its own military bloc independent of the United States, which was already discussed after the collapse of the Soviet Union (Eurocorps project). Without outright hostility to the United States, such a bloc would in many cases pursue Europe's legitimate interests, which can sometimes be very different from those of the United States. First of all, this will affect affairs with Russia, Iran, China and the countries of the Islamic world.

China has long been a beneficiary of globalization, having managed to adapt to it in order to pursue its national interests, but now Beijing will have to rebuild itself increasing its regional power. However, it is in this direction that all the processes in

the PRC have been developing lately, that is strengthening of Xi Jinping's power, the *One Belt, One Road* project, etc. The future is not in globalization in the Chinese way but in the development of a Far Eastern project with a special Confucian and partly socialist specificity. Contradictions with the United States in the Asia-Pacific region will clearly intensify.

However, the global demonic coronavirus marks a turning point in world history. Not only stock indices or oil prices are decreasing, but also the world order. We live in an era of liberalism, general description, stages and standards. Human societies began to move freely, no dogmas, no dollar imperialism, no free market magic, no dictatorship, no global exchange. Each pole will build the future in its civilizations.

What neither ideology, nor wars, nor terror, nor religious movements could become, was made by an invisible and deadly virus.

After the pandemic, Kazakhstan will also make its own adjustments in its development.

Today it has become fashionable to use the idea that after the virus, the country will be different. However, as many politicians and scientists have already said, nothing global will happen within countries. Humanity has gone through many epidemics worse than this one. Nobody automatically changed their moral values. People and authorities quickly forget everything. To change the moral foundations, the nature of the state, to instill new values, we need to make greater efforts.

One thing is clear, in order to preserve our statehood, we need changes. Social stratification and the absence of common values of citizens can corrode the country's foundation. We need to change the social landscape and the essence of state power.

The Republic of Kazakhstan is a rich state and its citizens are poor. This contradiction

will continue to hinder the country's sustainable development. We have not been able to convert multibillion-dollar strategic resources like hydrocarbons and metals into the people's welfare. The vast majority of the population is poor. The oligarchs, who have taken possession of the sources of the country's public goods, want to make money in Kazakhstan, spend it abroad and help foreigners. The oil sector is monopolized and operates in accordance with closed and gray schemes. A cartel has been created in the country to please certain groups. It is not interested in creating open rules of the game.

The state policy shall be aimed at solving the urgent problems of a person, a particular citizen of the country. Not a man for the sake of the economy, but the economy and economic development for the sake of citizens and their worthy lives.

As for the external state economy, the international contacts of the head of state today are subordinated to the most important goal, that is to ensure favorable external conditions for addressing the issues of the country's strategic development in the face of a challenge unprecedented in modern history, such as the coronavirus pandemic.

Currently, all countries are concerned about the negative impact on the world community of the sanitary crisis. The efforts of states are aimed at ensuring epidemiological and economic security. In this situation, the states, international institutions and organizations are working in close cooperation, joining forces to combat the spread of COVID-19 and providing each other with humanitarian aid.

Besides, Kazakhstan is also concerned about the further development of the Silk Road. Although this issue has recently faded into the background, it is encouraging that China intends to continue developing this project.

Although China's economy has begun to recover from the pandemic, the pace remains uncertain.

Beijing is facing growing calls to renegotiate loan repayments for hubs, power plants and transport links, which look overwhelming as economies around the world, from Latin America to Africa to the Middle East, go through a difficult period and globalization slows down.

A June study by the Chinese Ministry of Foreign Affairs found that 20 percent of *One Belt, One Road* projects were "severely affected" by the pandemic, while another 30 to 40 percent were "partially affected".

Concerns about global recession have provoked China's partners to take a different view of the viability of these projects in their countries, which could lead to their revision or even cancellation of the projects.

However, so far none of the major contracts of the *One Belt, One Way* program have been terminated due to the pandemic, this initiative is too important for China to be postponed for a long time.

But how Beijing will handle projects in the face of pandemic problems around the world will be a key test of its international diplomacy skills.

Even before the pandemic, fears of rising debt and corruption were growing and the financial environment is now exacerbating all this.

China's state-run media have begun to promote less expensive global technology and health initiatives rather than high-profile infrastructure projects.

China has also already taken advantage of this pandemic to focus on digital initiatives such as e-medicine, commerce, payments and training and analysts believe Chinese companies have enough opportunities to expand these projects in Central Asia.

Moreover, despite a more cautious

approach to the *One Belt, One Road* program, China remains one of the few sources of funding that could bring Central Asian governments closer to China.

But with regard to the achievement of the Chinese-Kazakh joint establishment of the *One Belt and One Road*, it should be noted that they fully demonstrate that the impact of the epidemic on the Chinese-Kazakh cooperation is temporary and partial. Cooperation between the two countries has not been interrupted, but has moved forward even more. As long as the parties continue to work together, crises can be turned into opportunities and better adapted to new realities during the pandemic. It is clear that as the epidemic is gradually brought under control, the demand for cooperation between the two countries will increase at an accelerated pace and new spaces for cooperation will open up to provide a

stronger impetus for deeper cooperation in areas like science and technical innovation, healthcare, distance education, finance, cross-border e-commerce and agriculture, which will bring even greater benefits to the citizens of the two countries.

Thus, since the beginning of 2020, the COVID-19 epidemic raging all over the world has caused unprecedented consequences and challenges to the international production and supply chain. Against this background, China and Kazakhstan, as eternal all-round strategic partners, together overcome difficulties, help and support each other and strive to consolidate the results of bilateral trade and economic cooperation. Despite the difficulties and challenges, the steps taken by China and Kazakhstan to jointly build the *One Belt, One Road* have always been firmly advanced and continue to become deeper.

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