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**THE EVOLUTION OF TRADE ROUTES. ECONOMIC DEVELOPMENT,  
GEOPOLITICAL TENSIONS AND THE NEW SILK ROAD.**

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## ABSTRACT

This paper explores the evolution of trade routes with a focus on three specific factors, the historical Silk Road, the relationship between the evolution of trade routes and economic development, and the geopolitical tensions deriving from it. The study begins by analysing the significance of the ancient Silk Road as the defining route of the following international trade patterns. The economic perspective lays on the evidence of how the evolution in trade, technology and infrastructure feeds back the wealth of states, similarly as the power of states and geopolitical tensions do. The analysis of the context, financing, and critic of Belt and Road Initiative, which seeks to reactive the greatness of the ancient Silk Road provides a vivid example of the arguments exposed throughout the study.

## RESUMEN

Este proyecto explora la evolución de las rutas comerciales centrándose en tres factores concretos: la Ruta de la Seda histórica, la relación entre la evolución de las rutas comerciales y el desarrollo económico de los Estados, y las tensiones geopolíticas derivadas de él. El estudio comienza analizando la importancia de la antigua Ruta de la Seda como ruta definitoria de los patrones del comercio internacional que la siguieron. La perspectiva económica se basa en la evidencia de cómo la evolución del comercio, la tecnología y las infraestructuras retroalimentan la riqueza de los Estados, del mismo modo que lo hacen el poder de éstos y las tensiones geopolíticas. El análisis del contexto, la financiación y la crítica de la Franja y la Ruta, que pretende reactivar la grandeza de la antigua Ruta de la Seda, ofrece un vívido ejemplo de los argumentos expuestos a lo largo del estudio.

**KEY WORDS:** Trade Routes; Silk Road; International trade; Antiquity; Industrial Revolution; Triangular Trade; Suez Canal; Panama Canal; Belt and Road Initiative; China; Economic Development; Infrastructure; Maritime transport; Globalization

**PALABRAS CLAVE:** Rutas comerciales; Ruta de la Seda; Comercio internacional; Antigüedad; Revolución industrial; Comercio triangular; Canal de Suez; Canal de Panamá; Iniciativa "Belt and Road"; China; Desarrollo económico; Infraestructuras; Transporte marítimo; Globalización.

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## INTRODUCTION

International trade and its functioning as it is known today is subject to various factors, and if one thing is clear, is that without the presence of trade routes that allow the transport of goods and resources from one part of the world to another, it would not be possible. The way in which such transportation has become increasingly feasible and efficient throughout history, that is, how these trade routes have evolved, is key to understand the other factors that enable commercial exchange between states.

Among the aspects shaping this study, the ones analysed will be those that make a state eligible for active participation in a trade route. There are competitive advantages that, either independently or in cohesion with others, determine the level of relevance that the state in question will have in the exercise of international trade, either in its favor or to its detriment. The evolution and progress, especially in the last century, have made it possible for a select number of states to accumulate multiple capacities, thus positioning them at the forefront of international trade. Thus, it can be said that the efficient exploitation of one competitive advantage gives rise to the opportunity to acquire other advantages. The issue lies in the nature of these advantages, as not all states are equally fortunate when it comes to them.

For this study, it has been deemed convenient to begin with the analysis of ancient trade routes, especially the Silk Road, due to the evidence of its impact on civilizations and its unconscious capacity to influence today's international system. Therefore, in the first chapter, it will be observed how, depending on the Empire that dominated the lands covered by the most important trade route in history, the power dynamics, trade patterns, and social customs could significantly vary.

As history progressed new innovations were introduced, leading to a new range of possibilities for merchants. The next chapter aims to demonstrate how advances in international trade have been the main drivers of state development. The opening to maritime trade and surely the discovery of new lands have been factors strong enough to shape transoceanic trade, connecting three continents as if they were the vertices of a triangle. This development was as well a booster of the nation-state system that exists today. It is also highly relevant to the study how these advances propagated conditions in trade that led to the African slave trade, where slaves were transported like goods from one coast to another based on the interests of the masters. Continuing the argumentation line of that progress brings more progress, it is observed that the last two centuries of the previous millennium, which hosted the first two industrial revolutions, are crucial in this study as they brought with them steamships, mass production, and many other elements and patterns that either persist or have transformed with subsequent revolutions but characterize global trade.

As a result of the accumulation of power that comes with economic development, conflicts arise, and in the case of trade routes, the engine of these is the dominance of a strategic enclave, the leadership of an infrastructure project, or the blockage of a key point such as chokepoints. In the third chapter, conflict is considered not only as armed conflict arising from the rivalry between two international actors, but also as those physical or meteorological incidents that occur at a very specific point yet are capable of causing a worldwide blockage.

Finally, just as the study began with the analysis of the ancient Silk Road, it concludes with the analysis of the project presented in 2013 by the President of China for a New Silk Road, as this initiative encompasses all the previously discussed aspects. From China's historical claims, through the million-dollar investments that have been and will be necessary to the positive and negative reactions of third parties.

## METHODOLOGY

For this study, an extensive search and selection of literary and academic sources have been conducted. From books that narrate the stories of past travelers and explorers, which provide valuable context about historical trade routes and the socioeconomic dynamics of the civilizations that used them, to specialized books containing detailed information about specific periods in the history of various trade routes, which have been essential for understanding how different eras and historical events have influenced the evolution of trade routes and the development of the commercial capacities of the involved states.

The work incorporates information extracted from the analysis of recent and relevant journalistic articles, which provided an updated perspective on the conflicts and current projects related to trade routes. These articles have allowed for an understanding of the current implications of infrastructure policies and geopolitical strategies in global trade.

Essays written by experts on specific topics related to international trade have also been included. These essays provided an in-depth and theoretical analysis of the factors affecting global trade, such as economics, politics, diplomatic relations, or international law. Through these theoretical perspectives, the understanding of the dynamics governing international trade, both in the past and present, has been enriched.

The development of the content of the work has been structured into four chapters that reflect the evolution of trade routes from antiquity to the contemporary era, analyzing them from historical, economic, geopolitical, and empirical perspectives.

## HISTORICAL TRADE ROUTES. THE ANCIENT SILK ROAD

Authors such as Yuval Noah Harari, in his book *Sapiens, a Brief History of Humankind*, provides examples of the exchange of goods between civilizations way before than it could be expected, such as the case of seashells from the Mediterranean and Atlantic coasts that were found in excavations in central Europe, where groups of Sapiens lived about 30,000 years ago. As a result of this fact, historians affirm with total certainty that the practice of long-distance trade was already present at that time. Thanks to this kind of discoveries, knowledge about the antiquity of trade and its routes has been collected. In this chapter some of the routes that are considered to be the predecessors of the international trade order will be analysed, beginning with the well-known Silk Road.

### I. The trade routes that set out today's International Order

The study of the way in which the different networks for the exchange of tangible and intangible goods between states have been shaped historically is crucial to understand today's international trade system, since many of the reasons that make a state relevant when it comes to trade do not appear suddenly, but arise from a particular advantage, such as geographical location or the possession of a certain natural resource. By the time of the ancient routes, there was a strong will, which served as incentive to overcome geographical roadblocks and build an incredible network of trade routes (Jerry, 1993). Thanks to the exploitation of this advantage, the states in question have the opportunity to generate wealth that could be used to modernise its infrastructure and commercial services for the interest of connecting with third countries, in order to be updated and prepared for the new needs and opportunities presented by the global market.

However, international trade as it is known today has been subject to drastic change in recent centuries thanks to industrial and technological revolutions. Before reaching the modern means of transportation and goods that exist nowadays, there is a millenary history of trade between civilizations, which contemplates the discovery of new lands, goods and conflicts, which have set the precedent for this form of global exchange. The importance of the study of ancient trade routes lies in the fact that on these routes not only merchants and material goods have circulated, yet they have also allowed the exchange of ideas, cultures and religions among different peoples.

#### 1. The Silk Road

The Silk Road is one of the best-known examples on an ancient trade route. Its relevance in history is undoubtable due to the great number of events that occurred in it, from the commercial exchanges to conflicts, flourish of religions and more. It connected the East to the West, allowing the flow of merchandise, culture, tradition and religion.

The 7,000 kilometers that conform the Silk Road have also seen the rise and fall of some of the greatest empires of history. What began as the establishment of a trade link between civilizations became a reason for the Empires to fight for its control due to the great advantage arising from its dominance, both in terms of commerce and military lead. Hereinafter are found the different empires which have dominated the lands of the Silk routes, and the details that particularise each period of diverse ruling.

## 1.1 Chinese Empire

As regard as China, it is considered the origin of the road. It dates to the times of the Han Dynasty, around the year 130 B.C (Ibrahim et al, 2021). The palace attendant Zhang Qian was sent by Chinese Han emperor Wu to the West lands. This expedition was intended to reach out the Yuezhi people in order to create an alliance against the Xiongnu, a state threat to the Empire. After many years of searching and even being retained by the opponent, Zhang Qian crossed the mountains of Tarim Basin and Tian Shan, reaching the peoples of Bactria, in the State of Daxia, the Ferghana Valley and Pathia, to later go back home and report what he had learnt. By this action of the emperor, a deliberated project of an East-West connection was officially initiated (Quinn, 1993).

Although the term “Silk Road” was not actually in the scene until the nineteenth century, Ferdinand von Richthofen used it to describe this pathway of merchandise between the Europe and Asia, as the production of silk marked Chinese tradition and economy. This textile was of great significance for the Chinese, as it also served as a currency on several occasions. For instance, when the Empire fell in trouble with the Barbarians, silk was used as a way of enforcing peace<sup>1</sup>. Although silk was not the only commodity traded out of the region, it was the main one.

In ancient silk road there was a determinant factor that made possible the correct functioning of the long-distance routes. The combination of the agricultural sedentary settlements and the transit of the nomad peoples made possible the creation of such a large-scale Roads (Jerry, 1993). Is example of this the interchange of ways of living experienced between the Chinese and the Xiongnu, as soon as the first one feared some kind of punishment from the second, they rather stayed in the steppes for a while.

This pathway also reflects the history of Chinese expansion towards the West, as after its inauguration by the Han Dynasty, the control over the route fell in the hands of a different powers, to be later reconquered by the Tang Dynasty in the seventh century AD, in what is considered as the golden age of the route (Conrad, 2021).

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<sup>1</sup> The Han Dynasty (206 BCE - 220 CE) faced the persistent challenge of the nomadic tribes, mainly the Xiongnu, along its northern and western frontiers. The Chinese referred to them as the “Barbarians”, as they frequently conducted raids into Han territory, disrupting trade and settlement. The Han employed various strategies to manage this threat, including military campaigns, fortification projects like the Great Wall, and diplomatic tactics such as marriage alliances. Despite these efforts, the constant pressure from these nomadic groups strained the empire’s resources and contributed to internal instability.

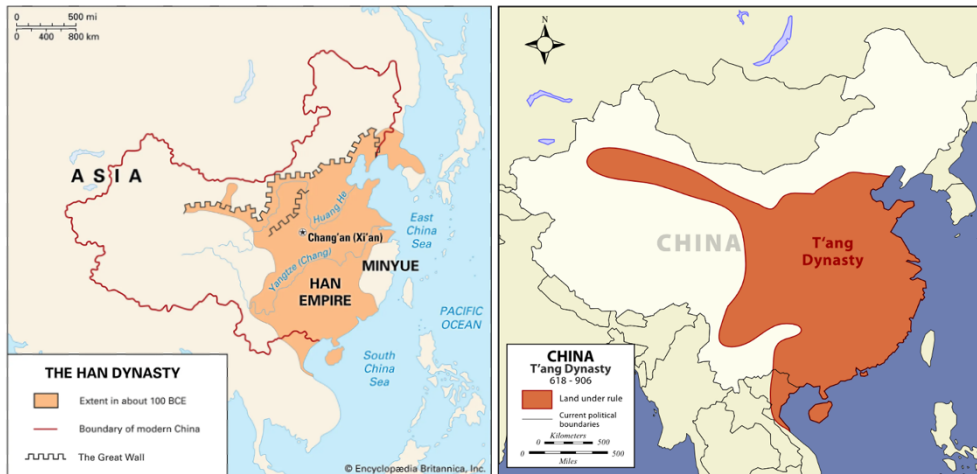


Figure 1. Han Dynasty China vs Tang Dynasty China

Source: <https://www.britannica.com/topic/Han-dynasty> <https://www.artsmia.org/art-of-asia/history/pdf/china-tang-dynasty.pdf>

## 1.2 The Roman Trading Colony

During the second and first centuries B.C. Rome and China were the core of the Eurasian continent. The Roman victory over Carthage (146 BC) marked Roman Empire's pathway towards becoming an economic and political superpower. Prior to its defeat, Carthage had earned all the wealth resulting from being a Phoenician city-state located into the strongly relevant trading network in the Levant. The Phoenician colonies of the ancient world constituted the most important center of transactions on the Mediterranean coast, which expanded towards all directions. Therefore, the Roman victory meant that they acquired this advantage as well, which translated into great military and economic capacities.

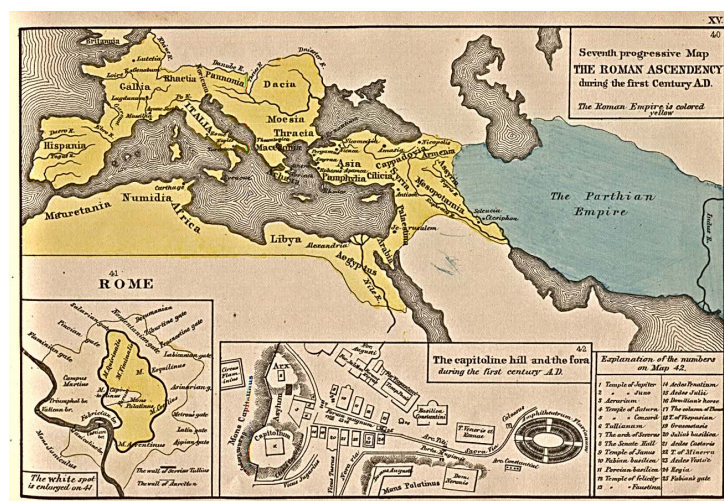


Figure 2. Roman Trading Colony

Source: [https://commons.wikimedia.org/wiki/File:Roman\\_empire\\_1st\\_cen\\_1884.jpg](https://commons.wikimedia.org/wiki/File:Roman_empire_1st_cen_1884.jpg)

In addition, during the first century B.C. Rome had made their way within a part of the Hellenistic states, which after Alexander the Great's death, raised a significant role in the territories of Asia Minor and Palestine. The words of Plinius the Elder in his XI book of

*Natural Histories* (77 AD) note the great importance silk attained in the Roman Empire, as a symbol of luxury and status specially among women. Nevertheless, due to the Persian influence, the relation between China and Rome remained as a mythological expression. (Conrad, 2021, p. 8). They were aware about each other's value as intermediaries in the trade routes, and even at some points China intended to establish direct contact with them, yet this did not last long.

### 1.3 Persian rule

From the 6th century BC, the Persian Empire stood as a significant counterbalance to China in the west. This dynamic continued even after the collapse of the Achaemenid Empire, which was conquered by Alexander the Great in 330 BC. Subsequently, the region came under Greek-Seleucid control until the Parthian Arsacid overtook it in the 2nd century BC. In turn, they were succeeded by the Sassanids in a century before. During this time, despite the rise of Rome as a global power, the Persian plus for a significant period, the Macedonian Seleucids, were the most western entities that remained relevant in the context of the Chinese world for about two centuries.

As already mentioned, although the planned political, economic and military expansion did not start until Emperor Wu's feat of sending an envoy to explore the west, the history of long-distance continental trade dates to ancient times. During one of Zhang Qian's missions between the years 115 and 105 BC, the Chinese delegation reached the court of Anxi (Parthia) and was received with great respect, leading to strong and lasting mutual relations. This period marked the beginning of regular silk trade with the West, rather than the sporadic exchanges that had occurred before (Quian, 1993).

In AD 97, during the later Han dynasty, General Ban Chao sent his official Gan Ying to the western regions. Persia was not the ultimate destination of the western trade routes, still it played a crucial role as the master of intermediary trade. Throughout history, Byzantium, Rome's successor, often paid annual tributes to its Persian neighbors. During the early 7th century, Khosrow II sought to reinforce Byzantium's subservient status permanently after a period of Persian weakness, bringing Byzantium nearly to collapse.

A notable incident underscoring the strategic importance Persia placed on its intermediary economic role occurred under Sasanian King Khosrow I. During his reign, the Sogdian king, a vassal of the Göktürks, sent a delegation with a significant quantity of silk, seeking to establish free trade with Rome. Khosrow responded by purchasing the entire cargo and burning it before the ambassadors, a dramatic gesture meant to demonstrate the worthlessness of their gifts compared to Persia's critical trading position. This episode is a vivid illustration of the strategic economic interactions that shaped relations between these ancient superpowers (Conrad, 2021).

### 1.4 The Arab influence

Throughout history, the Persian Chinese relationship was generally positive. However, there was a dramatic shift in this dynamic when the Arabs conquered the Persian Empire. The Arabs, following their successful overthrow of the Persians, adopted a different approach. Their

notable victory over the Tang Dynasty in AD 751 marked the beginning of Muslim control over Transoxania and other economically significant cities along the Silk Road. This victory allowed the Arabs to extend their influence from Morocco to what is now southern Kazakhstan, establishing a vast domain along this crucial trade route.

Despite this extensive control, the Arab hold over these regions was not to last. By the ninth century, various rebellions had begun to challenge Abbasid authority. This period, often referred to as the "Iranian interlude," saw the rise of dynasties with Iranian roots, such as the Tahirids, Safavids, Samanids, and Bujids. These groups gradually took over the power in Central Asia and Iran. This era of Iranian resurgence continued until the emergence of the Seljuk Turks, who eventually took the mantle as the central Muslim power in the region. This shift in control not only altered the political landscape but also had significant implications for the control and influence over the Silk Road (Minorsky, 1953).

### 1.5 Mongols in the Silk Road

The Mongols achieved unparalleled control over the Silk Road, extending from Luoyang to the Black Sea and the Mediterranean, a feat the Arabs had previously attempted but failed to accomplish in their conflicts with the Chinese. The success of the Mongols can be attributed to their meticulous planning, the relentless nature of their military campaigns, and a strict hierarchical governance that was effectively personified in Genghis Khan. Their empire was not only built on the traditional practices of steppe empires but also on the sophisticated administrative systems and technologies of the Chinese, blended with the Mongols' own vision of leadership.

The concept of "Pax Mongolica" which facilitated safe passage along the Silk Road, was ironically established through a period known as the "Terror Mongolicus." This term, as detailed by historian Kirakos, describes the brutal conquests and destruction of cities like Ani and Baghdad that resisted Mongol advances. The systematic and organized nature of these conquests, including the mass executions in Baghdad, underscored a deliberate strategy by the Mongols to quash resistance decisively.

Juvaini, a Persian writer, offers a more nuanced view, and William of Rubruk provides accounts of interesting interactions with the Mongols. Furthermore, Kirakos, initially harsh in his judgment of the Mongols, later acknowledges their contributions to cultural developments such as church building and the Christian conversions among their generals.

During the "Pax Mongolica" era, between the 13th and 14th centuries, the Mongols exploited the Silk Road for economic profits while maintaining a policy that favored and protected their long-distance traders from Europe and other regions. This period required explicit and personal acknowledgment of Mongol supremacy, often necessitating visits by foreign princes, kings, and religious leaders to Karakorum as a way of demonstrating submission. Cities that complied with Mongol rule were spared from destruction, and those that were destroyed could be rebuilt, as noted by Kirakos, who also mentions the support given by the Mongols to Armenian merchants. This dual nature of the Mongols as both destroyers and builders is reflected throughout their governance and even in the actions of Tamerlane, highlighting a complex legacy that blended fierce conquest with constructive governance.

## II. New ways of trading

### 1. The maritime Silk Road

The Silk Road is also well known for its presence in the waters. Although some scholars consider that the raise of maritime routes caused a downfall of the Road, others highlight the fact that its presence did not vanish on the lands, yet it was extended to the sea (Ibrahim et al, 2021). Thanks to this expansion, the emerging powers in the market of the global economy are understood.

Before the advent of steam-powered vessels came into the equation, the Maritime Silk Road is said to have functioned from the 2nd century BC to the end of the 19th century, with the faculty of navigators to leverage from monsoons and ocean currents, along with the use of traditional maritime navigation techniques which made possible the broad range of exchanges across major sea regions and coastal areas.

In terms of shape, the vast network of sea routes that composed the Maritime Silk Road stretches from the Japanese archipelago in East Asia to the Mediterranean Sea's western coast. This route is historically segmented into six main regions: East Asia, Southeast Asia, South Asia, West Asia, East Africa, and the Mediterranean, each distinguished by unique geospatial and historical features. This network is characterised by numerous interconnected shipping lanes linking key ports in the Mediterranean region, in South Asia, in Southeast Asia and in East Asia.

Inland production patterns and water traffic systems, together with the strategic geographic locations, and other economic and political factors were responsible for the development and consolidation of these ports. Once established, they remained significant over long periods, evolving into major regional centres for trade and cultural exchange. They served as crucial nodes within the broader Maritime Silk Road, anchoring the extensive network of maritime routes that facilitated the flow of goods, technologies, and cultures across vast distances.

Scholars highlight the relevance of certain ports, that sailors of the Maritime Silk Roads enjoyed and describe in their stories about their voyages. From the second century B.C the Western and Indian coasts were connected by the navigation of sails to the ports of the Arabian Coast, such as the one named Muza, as it is well illustrated in the Periplus of the Eritrean Sea<sup>2</sup>.

After navigating beyond the Red Sea, Egyptian Greeks navigated the Indian Ocean, reaching the Malabar coast. About this era of commerce, it is subject to debate between academics the question of whether the ship journeys represented in text and reports refer to navigation in the ocean or through rivers. Evidence has been found on the one hand, of the use of Ports on the rivers of Son and Ganges, among others. On the other hand, a manuscript of the third century B.C., where rules about commerce between India and the west are laid down, there are references to the “duties of the superintendent of commerce” which are extended to

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<sup>2</sup> The "Periplus of the Eritrean Sea" is an ancient navigation and trade manual, written in Greek in the 1st century AD, describing the trade routes and ports along the Red Sea, the east coast of Africa, and western India. This document contains information on the goods traded (spices, gems, and silk), as well as the cultures of these regions, reflecting the extensive maritime trade network of the time.

“navigation not only on oceans and mouths of rivers, but also on lakes, natural or artificial, and rivers in the vicinity” (Samaddar, 1911, p. 905).

During their empire, the Romans intensified their trade relations with India, opting for a more direct maritime route. They began their journeys from the Babelmandeb strait, sailing straight to the ports of Malabar and Guzerat. By aligning their travel with the monsoon winds, they significantly reduced the time of their voyages and established a reliable trading pattern.

The Persian Empire swiftly dominated the silk trade from the East, but conflicts with Constantinople disrupted the routes through Tartary, which led to a scarcity of Chinese silk in Greece. To avoid the soaring costs of silk, Emperor Justinian commissioned two monks who had previously travelled to India and China to preach the Gospel and had observed silk production the special tasks of mastering silk production techniques. This initiative led to the establishment of silk manufactories on various Greek islands, ensuring a local production base even as the direct import of silk from China and India dwindled, though other goods continued to be traded within Greece (Stošić, 2018).

Another strategic point of relevance in these maritime routes is the Strait of Melaka, located between Sumatra and Malaya, have historically been a pivotal maritime crossroad. The climatic conditions of the South China Sea and the Indian Ocean enabled navigational routes that allowed ships from China, Vietnam, and Cambodia to sail southwest, while those from India and Burma headed southeast. From the 4th to the 6th centuries C.E., significant political shifts in Central Asia obstructed the traditional overland Silk Road routes, highlighting the importance of maritime pathways for trade. Later, from the 7th to the 13th centuries, the strategic trading states within the Straits region fell under the influence of Srivijaya, a powerful empire based in southeastern Sumatra. Srivijaya exerted substantial control over the region's international trade and maintained a robust trading relationship with China, playing a crucial role in the network of global commerce during that era (Lockard, 1995, p. 23).

## 2. A turning point. The Manila Galleon

Núñez de Balboa's discovery in 1513 marked a pivotal moment for the maritime perspective of the time. By finding out about the Pacific Ocean, then known as the South Sea, the prospect of a new western route to the highly desired Moluccan Islands (Spice Islands of the Indonesian archipelago) was open, providing the Spaniards with an alternative to the Portuguese eastern route. Despite the Portuguese having reached India and establishing themselves on the Moluccas Islands by the same year, it was Fernando de Magallanes, a Portuguese serving under the Spanish crown, who persuaded King Charles I of Spain of the feasibility of reaching these islands by navigating westward through the New World.

This initiative led to what started as a commercially driven voyage that evolved into the great territorial expansion of the Spanish Empire in Asia. The Magallanes-Elcano Expedition (from 1519 to 1522) achieved several milestones, from the discovery of the Strait of Magallanes, providing a navigable passage from the Atlantic to the newly named Pacific Ocean, and established Spanish claims over the Philippine Islands. To the completion of the first circumnavigation of the globe, demonstrating the globe's sphericity, and shifting the perspective on the Earth from "non terrae plus ultra" (no more land beyond) to "plus ultra" (more beyond).

In 1521, Juan Sebastián Elcano assumed the leadership of this expedition, soon after Magallanes died. Elcano returned to Spain in 1522, after finishing the historic

circumnavigation that had begun under Magallanes' lead, in which they traversed the Atlantic, Pacific, and Indian oceans, establishing a new era in global navigation possibilities. In the following years, he would set sail again towards Asia in 1525 with the García Jofre de Loaisa, aiming to conquer and colonise the newly discovered Moluccas Islands. However, his journey was cut short when he succumbed to scurvy in 1526.

In pursuit of the same objective, the Urdaneta-Legazpi Expedition departed in 1564 with the aim of discovering a return route from the Philippines to the New World. After numerous unsuccessful attempts by various expeditions throughout the century, a renewed effort was launched by the Viceroy of Mexico, Luis de Velasco, with Miguel López de Legazpi and Andrés de Urdaneta, who had previously participated in Loaisa's expedition, with an executive role. They left the port of Navidad, Mexico, on November 21, 1564, and arrived at the port of Cebu in the Philippines on April 27, 1565.

In the following mission, they set sail from Cebu on June 1565 in search of the possible route back through the Pacific. They successfully reached Acapulco Bay on October 8. This journey marked the completion of the round trip across the Pacific, proving that a return route was indeed viable and setting a precedent for future maritime navigation between these two regions. This achievement not only facilitated ongoing trade but also reinforced Spain's maritime capabilities in its Asian territories.

Is of great importance for this era of international trade the Manila Galleon, initially launched to serve the residents of Manila coping with the challenges of geographic isolation, and which evolved into the most enduring maritime trade route in history, spanning from 1565 to 1815. Not only this route established the first direct trade link between America and Asia but also facilitated profound economic and cultural exchanges between the two continents and the Iberian Peninsula. Precious metals like silver and gold from the Americas, alongside Asian spices, silk, and ivory, were traded across the Pacific, enriching both continents. Moreover, the influence of the Manila Galleon extended beyond mere trade. It left a lasting imprint on the spiritual, social, economic, and cultural fabrics of the regions it connected. This exchange significantly influenced local architecture, religion, art, and culinary practices. During the more than two centuries it was active, Manila Bay emerged as a pivotal hub of global commerce, effectively setting the foundation for what is recognised today as globalization, making it a critical component in the development of international economic and cultural relations.

## GLOBALISATION AND THE ECONOMIC DEVELOPMENT PERSPECTIVE

### I. The Triangular Trade

The triangular trade marks the starting point of early global economic interactions. It represents the initial forms of globalization through its intricate network connecting Europe, Africa, and the Americas. Although this system set a foundation for international trade dynamics that would influence future economic practices on a global scale, it is primarily known for the exchange of enslaved Africans for the merchandises of the New World.

The rise of the triangular trade marked the economic end societies of the societies involved. Whereas in the European continent the flow of sugar, tobacco and cotton imported from America led to the economic growth and enrichment of the larger coastal cities with ports, the same route hosted the transatlantic slave trade, in which millions of Africans were forced to the Americas. This exchange not only laid the groundwork for globalisation, but also had everlasting demographic impacts on the three continents.

This three-side commerce was usually carried out in different ways, depending on the capacities and interests of the European and American traders and leaders. They could leave the European ports of the important cities in New England or France for instance, ready to exchange a cargo of commodities for slaves, to later trade with them in the West Indies. Other way consisted in sailing to the West Africa from New England to sell rum for slaves that would be sold afterwards in the West Indies. There was even an option in which African traders would facilitate the exchange of the slaves in the ports by moving the captives from the regions of the interior towards the coastal markets. In any of the routes mentioned, the profits obtained with the sale of slaves would be used to buy a load of merchandises which did not exist in the cities of origin. This also proves that the triangle not always had the same vertices.

#### 1. African Slaves Trade

Slavery was not born at the same time as this triangularity in trade routes, indeed it has existed as back in time as power and money were present. However, African slave trade has two distinguishing characteristics in comparison with Ancient slavery. In the first place, the purpose, since these slaves were taken mainly from the west of Africa to colonies in both the northern and southern regions of America, to serve indefinitely in the plantations of the goods that would be later exported, generating huge profits. In the second place, racism entered the scene, as all slaves were black. The color of their skin seemed like a valid reason to treat them poorly and less humanly (Emert, 2010).

It was determinant for the success of this trade the rising necessity for productivity and men, due to the revolution that the economy went through. As the monarchies and nations perceived more opportunities to get wealthier, there was a crescent need for manpower in order not only to produce the good, but also the infrastructures needed to transport them, and therefore being able becoming a relevant piece in the global market that was forming. The merchants became the dominant stratum of society, and so did their voice in public matters, which fostered the appearance of emerging commercial techniques such as credits, partnerships and joint-stock enterprises, that allowed the financing of the slave's trade (Rawley et al, 2005).

### 1.1 Iberian Slaves trade

According to James Rawley in his book *The Transatlantic Slave Trade* (2005), “It was the Portuguese who first opened the Atlantic Ocean, started the Atlantic slave trade and establishes the first European overseas Empire”.

What started with a token of appreciation from explorer Antam Gonsalvez to prince Henry in 1441, in the shape of ten black men shipped from Northern Guinea to Portugal, ended up resulting on the dominance of the trade with slaves by the Portuguese, as the Pope granted them with the exclusive right to do so (Emert, 2010). The strength of their Monarchy and the internal quietness they enjoyed made possible the proliferation of their Empire.

In the last decades of the 15th century, Portuguese presence expanded throughout different regions of Africa, including the coast of Lower Guinea, the islands of the Gulf of Guinea, as well as the coasts of the Congo and Angola. From a European perspective, Lower Guinea was divided into four areas, each named after its main export: to the west, the Grain Coast, known for its peppercorns; followed by the Ivory Coast, the Gold Coast, and the Slave Coast, where the unhealthy Bay of Benin was located.

In 1488 Portuguese navigators rounded the Cape of Good Hope, and soon after discovered Mozambique. However, West and Central Africa were the main hubs where the transatlantic slave trade was organised. There were two other events that added to the success of the Portuguese slave trade. On the one hand, following directives from the Portuguese monarchy, El Mina, a significant commercial enclave on the Gold Coast, was founded in 1482. This was followed by the construction of a second strategic port at Ughoton, near the river port of Benin, thus enhancing the facilities to the Atlantic trade.

In 1482, a Portuguese explorer discovered the mouth of the Congo River. Then, Portugal employed their efforts on exploring the coasts of the Kongo Kingdom and Algola, both at the south of the river. By 1470, the islands of São Tomé and Príncipe were discovered too, which would play a crucial role in the flourishing of the Portuguese slave trade, as they became one of the five main slave receiving regions for the Portuguese, along with Europe, Spanish America, the Atlantic Islands and Brazil. By 1500, Portuguese explorers had mapped approximately 4,000 miles of African coastline. (Rawley et al, 2005).

In the following years, Christopher Columbus would arrive to the New World, setting the beginning of the European colonies, a huge mass of land that, in order to exploit its agricultural potential, demanded a great amount of slave labor. The Portuguese were in charge of the slave supply for their settlements, as well as for the Spanish ones in Central and South America and the Caribbean with African slaves all throughout the 16th century. The first shipment of slaves straight forwardly from Africa to the West Indies took place in 1518 (Emert, 2010).

After the Asiento agreements signed by the Spanish Crown in 1545 and 1560 the mass of slaves trade, as well as the profit obtained from this practice increased significantly, since by this, the entrance of slaves into the Spanish colonies was opened to all merchants. Santiago de San Pedro was the Royal Servant in charge of establishing and collecting the licenses at the time, and according to Lutgardo García Fuentes (1982), for the introduction of each black African slave the Spanish Crown charged seven ducats. It is curious to note that fact that in

contrast, for the entrance of an slave designated to domestic services the charge used to be of two ducats. The studies affirm that it is difficult to determine the number of licenses granted, however thanks to the work of investigation of the General Archive of the Indies by the above-mentioned author, an estimation of the figures throughout the XVI century.

<b>Licencias para introducir esclavos en Indias, concedidas por la Corona, a lo largo del siglo XVI<sup>20</sup></b>	
<b>Decenios</b>	<b>Número de Licencias</b>
<b>1500–1509</b>	<b>?</b>
<b>1510–1519</b>	<b>4.865</b>
<b>1520–1529</b>	<b>1.711</b>
<b>1530–1539</b>	<b>9.530</b>
<b>1540–1549</b>	<b>15.345</b>
<b>1550–1559</b>	<b>242</b>
<b>1560–1569</b>	<b>25.213</b>
<b>1570–1579</b>	<b>18.486</b>
<b>1580–1589</b>	<b>28.667</b>
<b>1590–1599</b>	<b>15.318</b>
<b>Total:</b>	<b>119.377</b>

Figure 3. "Licenses to introduce slaves in the Indies, granted by the Crown, throughout the XVI century"

Source: <https://doi.org/10.7788/jbla-1982-0104>

## 1.2 Slaves trade from England

The interest of England on the slaves trade grew after the voyages of John Hawkins, where he discovered the interest of Hispaniola (today's Haiti) on receiving African slaves and interpreted it as an opportunity to make good money. These voyages conform the first contributions of the English Nation to the triangular trade. In one of his expeditions, his crew was captured by a Spaniard shipment, which caused a stop in the English activity in slave trade until the 17th century. The pattern was simple, the goods were sent from England to Africa in exchange of slaves, afterwards, they were shipped to the West Indies, and traded for the payback. Lastly, they brought back to England colonial goods bought with the profit of the slaves (Hakluyt, 2008).

Slave labor became crucial for the economies of many nations which had colonies in the Americas and the Caribbean, such as Denmark, Holland, Sweden, France and England. The participation in the sugar industry, required great number of laborers.

The evolution and organizational shifts within the British slave trade over its history of almost four centuries highlight its adaptable and expansive nature. Each voyage involved an elaborate network of economic relationships extending beyond the ports to manufacturers and merchants across the country, many of whom provided goods for the ships on credit.

During the seventeenth century, the British transatlantic slave trade emerged as a dominant force to such the point of surpassing other Northern European nations in both the scale and complexity of their operations. British ports like London, Bristol, and Liverpool were absorbed around one-third of all slave voyages across the Atlantic, which translates into close

to a million Africans to Jamaica and another half a million to the smaller island of Barbados. The slave trade was crucial not only for the economic growth of Britain but also for its political and diplomatic endeavors, up until it was declared illegal in the Slavery Act of 1807. By this time British investors, insurance companies, and banking institutions had played their roles. These entities enabled the transportation of over 3.2 million Africans across the dreaded Middle Passage. The survivors of these perilous journeys were integral to the establishment of a profitable and expansive British presence in the New World.

During the seventeenth and eighteenth centuries, the functioning of this vast Atlantic economy heavily relied on an international credit system, spearheaded by British banks and investors. The extensive use of credit was essential due to the prolonged durations of voyages, which could keep slave ships at sea for over a year. This system also supported the planters who had to wait extended periods to receive payments for their exported goods like sugar and tobacco.

In Africa and the Americas, British merchants and ship captains cultivated crucial relationships to ensure the profitability of their ventures. Slave-ship captains acquired knowledge about the preferences of African traders and established reliable contacts among agents and planters in the American colonies in search of the best trading terms, especially since they were entrusted with the most valuable ships and cargo and expected to maximise profits for their investors. Consequently, the roles of these captains were highly valued, and they were well compensated for successful voyages.

### 1.3 France and Dutchland Slave trade

The French Caribbean colonies enjoyed the best results both in terms of population size and productivity, largely thanks to the efforts and coordination of several French ports of great relevance. Le Havre, France's inaugural major slave-trading port, primarily sent captives to Martinique, French Guiana, and to Saint-Domingue. Other prominent ports like Nantes, Bordeaux, and La Rochelle also played critical roles, organizing numerous voyages that transported individuals from the area contained between Senegambia and West-Central Africa, to various destinations including the Dutch and French Guianas, several Caribbean islands, and even to parts of the Spanish Caribbean mainland and the Mississippi Delta, like Louisiana.

Despite these widespread operations, the sugar plantations of Saint-Domingue remained the principal destination for the Africans who survived the harrowing journey, at least until the Haitian Revolution began in 1791.

The Dutch was not left behind the other European maritime powers in the transatlantic slave trade. From 1596 to 1829, they were responsible for the transportation of approximately half a million Africans across the Atlantic. A significant portion of these individuals were initially brought to the small Caribbean islands of Curaçao and St. Eustatius. These locations primarily served as transit hubs, where many of the Africans, having survived the harrowing Middle Passage, were then sent onwards to various Spanish colonies in the Americas.

Other relevant colonial territories receptors of slaves were located in Dutch Guiana, particularly Suriname, well-known for its sugar plantations. During the eighteenth century, the harsh conditions of labor prompted nearly one in every ten enslaved people in Suriname to escape and form or join maroon communities. These communities, established away from the

oppressive plantation context, sought to live autonomously and resist the control imposed by the colonial authority. Prominent leaders of such communities, not only challenged plantation owners through acts of resistance but also engaged in formal negotiations with colonial authorities, striving for the independence and recognition of their communities.

## II. The routes of the Industrial Revolution

After the foundations of what is known today as globalization were laid thanks to the transatlantic trade and the undoubted economic development that arose from the slave trade, the next stage in the history of international trade and the network of routes used for it was initiated. The Industrial Revolution was born in Great Britain at the end of the XVIII century and spread to the rest of the states in the following years, in a metamorphic moment for the social, political and economic schemes at world level. The answer to why such a change occurred partially lies in the trade routes discussed above.

Because of the empire that was created as a result of the slave trade, a Commercial Revolution took place in Europe, in which feudalism gave way to nation-states. These in turn encouraged the emergence of cities, the expansion of trade, both geographically and materially, and the emergence of a new approaches to financial matters such as competition, capital and profit. The revolutionary situation augured unprecedented benefits for governments, which led to political and economic configurations on the part of European leaders.

These ideas were portrayed by the great economists and philosophers of the time, such as Adam Smith and Thomas Hub, who in their works, stated that domestic trade had been reduced to being a “...as subsidiary only to foreign trade” (Smith, 1776, p. 346).

### 1. Slave trade and the Industrial Revolution

The use of machines and industrial processes was started to spread, mainly in an Empire that had already led the slave trade well, the British. The relationship between the enrichment obtained in its participation in the slave trade and its leading position in the Industrial Revolution is undeniable, but the extent of the impact of the latter on the former is subject to debate among scholars.

Whereas Adam Smith postulates “The mercantile capital of Great Britain, though very great, yet not being infinite, and though greatly increased since the act of navigation, ...could not possibly be carried on without withdrawing some part of that capital from other branches of trade, nor consequently without some decay of those other branches” (1776, p. 483), Karl Mark affirmations such as “the veiled slavery of the wage workers in Europe needed, for its pedestal, slavery pure and simple in the new world. . . capital comes dripping from head to foot, from every pore, with blood and dirt” imply that industrialisation was founded on the accumulation of capital that derived from slave trade (Marx, 1876, p. ). The neutral approach that states that the revenue generated by the trade in the seventeenth and eighteenth centuries was equally relevant as other sectors of economy, and precisely proportional, even relatively small to the empires economy (Eltis et al, 2000).

## 2. How the Industrial Revolutions changed International Trade

Scholars agree on the fact that until now, the World has experienced four Industrial Revolutions – the original, the one of electricity, machinery engineered the third, and the technological as last – having all of them great and undeniable impact on international trade order. For the sake of this studio and the structure approached, the impact of the First and Second has been considered to be the greatest, consequently they are the ones analysed in the following part.

### 2.1 The First Industrial Revolution

The impact of the first Industrial Revolution spread from Britain progressively to Europe and the United States. The late 18th century was the scenario of great technological advances and the redefinition of the economic and social structures. The relationships between the nations changed as the economic opportunities and interest shifted too. The raise of industrialisation translated into a drastic change in international trade. In this point, the key impacts of this revolution will be analysed, being all of them correlated and consisting mainly on the increased production and emergence on new markets (1), the development of new trade routes (2), the exportation of raw resources (3), the economic interdependence (4), shifts in the power dynamics between nations (5) and its impact on the non-industrialised regions (6).

The moment the manipulation of iron was mastered, it was the end of handicraft methods and the beginning of machinery, transportation and mass production. New means of production required new sources of power, cheaper and more efficient, therefore, wood and charcoal, water and wind were replaced by simple coal, whose extraction also depended the innovation on mining technology. Simultaneously, and consequently to the industrialisation of the production methods, the range of markets increased. The local possessions of wool and the importations of cotton, in concordance with these advancements gave a crucial role to the textile industry in Britain. In addition, due to the increased manufacturing capacities of the new system, more goods were being fabricated than what the domestic market demanded, inducing the search of new markets and commercial relations abroad.

The development of new trade routes was a direct consequence of this improvements in transportation technologies, especially when it comes to railroad and steamship in the 1830s (very short introduction). Thanks to this progress, manufacturers could terminate the major roadblocks in foreign trade, time and expenses. Not only the distance and cost decreased, but also the reliability of the connections improved. These facilities meant an incentive for the flow of the international trade, so not so long had gone by when in projects like the Suez Canal saw the light.

The revolution catalyzed the globalization of commodity markets. The mechanisation of production and its growing capabilities resulted in an insatiable need for raw materials, which could not be met the domestic natural resources. Cotton, rubber, minerals another raw materials were in high demand in the industrialized nations, yet they were often sourced from distant regions. In contrast, the colonies and non-industrialized regions became the leading suppliers

of those, integrating local economies into a global trade system dominated by industrialised powers.

The more the local markets exported raw materials, the deeper the economic interdependence among nations grew. In order to meet the need of their manufactural markets, the industrialised powers heavily relied on the supply of the colonies. Eventually, other industries like the ones of Germany or the United States became reliant not only on the imports of raw materials but also on the export of their manufactured goods for the maintenance of their economies.

The shifts on the global economic landscape due to globalisation echoed throughout their nations' societies and beyond their borders. The British ability to export vast quantities of goods was instrumental in establishing them as a dominant force on the international trade. The revenue from these exports filled their accounts which in turn supported further industrial expansion and technological advancement on an ongoing process that was self-powered. Economic power also translated into political power. The supremacy obtained for having industrial capacitation exerted the influence of nations over international diplomacy and trade policies, making the order suit their interests. This period saw the rise of economic doctrines such as free trade imperialism, where the main actor, Britain advocated for open markets and the removal of trade barriers, further solidifying its position at the center of the overseas network.

The industrialized nations were generating immense benefits, nevertheless, the impact on non-industrialized regions was divergent. Although it is true that trade brought certain benefits at the domestic level in these regions, such as new technologies and increased economic activities, it brought as well economic exploitation and social disruptions. If they wanted to maintain the considerably upgrade they economies were experiencing from having a part in industrialisation, they became dependent on those activities related, such as exporting raw materials. Rather than enhancing their wealth, a pattern that limited their economic development and left them vulnerable to fluctuations in global market prices was engraining on their economic systems.

## 2.2 The Second Industrial Revolution

Steel production, chemicals, electricity, and the invention of new machines such as the internal combustion engine were the label of the industrial revolution from the late 19th to the early 20th century. These developments were impactful on the volume, speed, and nature of international trade, precisely due to the following factors.

In line with the progress of the previous decades, the innovations led to the rise of mass production techniques, allowing goods to be produced at scales never seen before, and at the lowest prices. The commodities were more and more complex, like processed foods of automobiles, yet they were easier and faster to fabricate. It notable the production methods introduce in the epoch such as the assembly line by Henry Ford (footnote). Chemical discoveries were introduced into the production of general markets like the textile, importing its quality and durability. The advancements of the Second Industrial Revolution provided the consumers with unthought services, facilities and of course, new goods and markets.

This industrialisation process brought with it the railroad network and steam-powered ships, which later transitioned to diesel-powered ships. The Suez Canal (1869) and the Panama Canal (1914) contraptions were crucial to make maritime trade routes shorter and to reduce the cost and time of shipping goods even more. Furthermore, the invention and spread of inventions like the telegraph or the telephone revolutionised communication, facilitating and speeding trade across vast distances. The combined advantages resulting from the appearance of these conditionals elevated the concept of industrialisation since they permitted unprecedented efficiency and speed in trade routes.

The global system witnessed an unprecedented integration of markets of all nations. A product manufactured in one specific part of the world suddenly was available across different continents, by more efficient routes and in a fraction of the time. As transnational trade became more accessible, multinational companies began to emerge. The political context of the time established a pattern in which a despite the international presence of a corporation, it was clearly linked to a concrete nationality (Jones, 2005).

The increasing offer of goods, together with the huge volume of production led to the necessity to search for raw materials. The nations' drive to supply themselves with the resources they needed translated into imperialistic ventures, culminating in the Scramble for Africa (footnote) and the colonisation of parts of Asia and the Pacific. European powers, along with the United States and Japan, established extensive colonial empires that so they could ensure the capacity of their industries to absorb the demand of finished goods. The economic exploitation of the colonised regions and the unfavourable conditions under which they were forced to work were direct consequences of this model of economy.

### 3. The canals as International Trade drivers

The Suez and Panama Canals transformed international trade. The Mediterranean Sea and the Red Sea meet when the Suez Canal was opened in 1869, eliminating the need for ships to round Africa to reach the European markets in Asia. Similarly, the Atlantic and Pacific Oceans were connected since the Panama Canal was completed in 1914, from then on, ships did not have the need to bypass the critical journey around South America anymore.

### 3.1 The Suez Canal

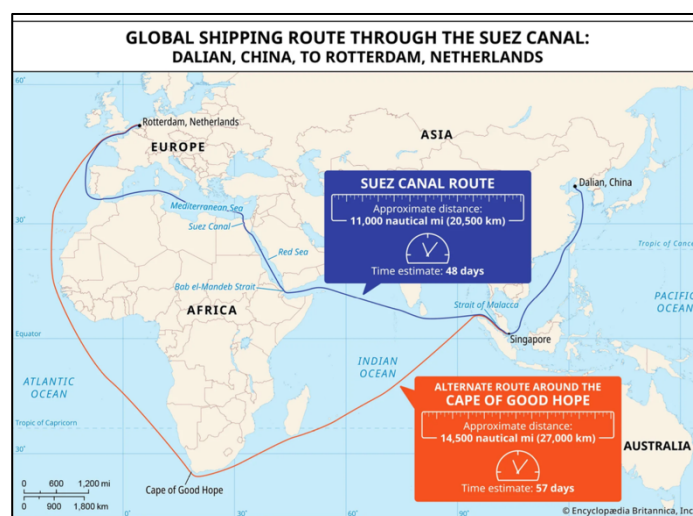


Figure 4. “The Suez Canal, is an artificial sea-level waterway running north to south across the Isthmus of Suez in Egypt to connect the Mediterranean Sea and the Red Sea.”

Source: <https://www.britannica.com/topic/Suez-Canal/History>

It is thought that in the Ancient time, this region was vigorously studied with objective of enhancing trade from the delta lands to the Red Sea, rather than to connecting it to the Mediterranean. The feat of making the canal in Egypt is believed to start around 1850 BCE as an irrigation channel in the Wadi Tumelat, a dry river valley at the east of the Nile delta, giving rise to the so-called the Canal of the Pharaohs. Later, the canal was extended by the Ptolemies through the Bitter Lakes to the Red Sea. In the following centuries, the canal went through several changes, from being further expanded and changed names to Trajan’s Canal by the Romans, to being neglected during the Byzantine era, and finally filled in by the Abbasid caliphs in 775 CE for military purposes.

In the 15th, 17th and 18th centuries the control of the East Indian trade belonged to the Portuguese, Dutch and English. With the intention of challenging this domain, the Venetians and later the French contemplated, without further action, the creation a canal through the isthmus to allow direct ship passage from the Mediterranean to the Indian Ocean.

The idea was revised years later during the Napoleon’s French campaign in Egypt at the very end of the eighteenth century, when he discovered the remains of the ancient canal. Chief engineer J.M. Le Père, wrongfully judged the Red Sea to be 10 meters higher than the Mediterranean, which led him to propose the need for locks. This misconception on the divergence of the levels of both seas was not exorbitant considering the working conditions of the French surveyors. (Twomey).

Given the failure on the previous studies on the conditions of the area, Ferdinand de Lesseps overtook the task of the survey of the Isthmus of Suez. Once he discovered that the project was realisable, the diplomatic negotiation between Lesseps and the viceroy of Egypt Muhammad Sa’id Pasha resulting on an agreement in 1854, and a following concession in 1856 approving the construction of a canal which connected the Mediterranean and the Red Sea.

### 3.2 The Panama Canal

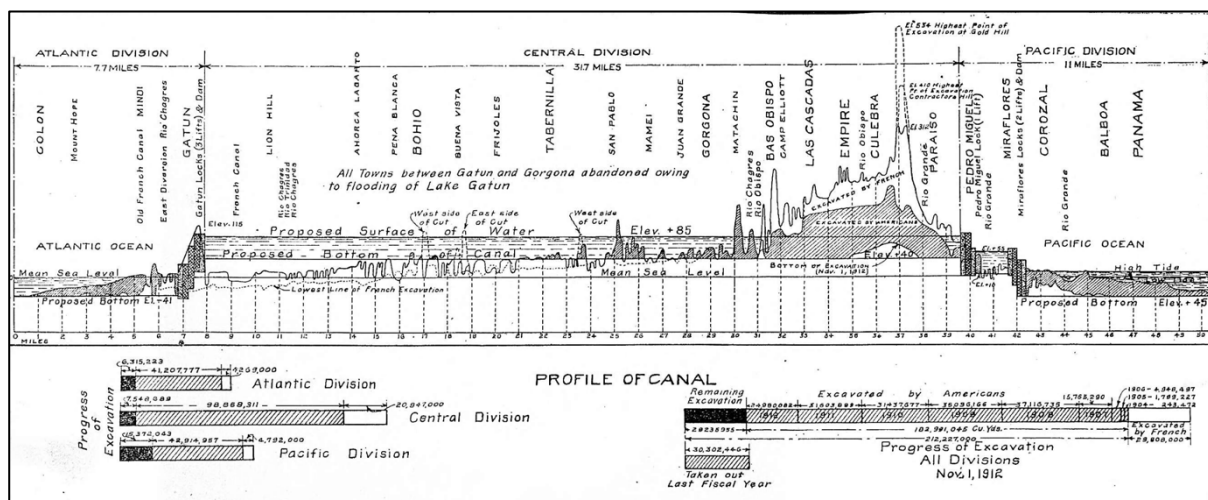


Figure 5. Profile of the Panama Canal

Source: [https://www.govinfo.gov/content/pkg/GOVPUB-Y3\\_IS7-7beac19afbe1a44295af86691290aa27/pdf/GOVPUB-Y3\\_IS7-7beac19afbe1a44295af86691290aa27.pdf](https://www.govinfo.gov/content/pkg/GOVPUB-Y3_IS7-7beac19afbe1a44295af86691290aa27/pdf/GOVPUB-Y3_IS7-7beac19afbe1a44295af86691290aa27.pdf)

Ferdinand de Lesseps, who had previously achieved success with the Suez Canal, was trusted to construct a canal through the Isthmus of Panama in 1881, when the Colombian government gave a concession to the privately-owned Compagnie Universelle du Canal Interocéanique, considering his great reputation on his previous project.

Although Panama's geography was known for its complexity, and the conditions were strongly divergent from those in Egypt, they decided to go ahead with it. Previous to this, there was a previous proposal by a different engineer who was familiar with these complications. He suggested that, in order to make the project more feasible, it would be preferable constructing two dams to create artificial lakes linked by a canal cutting through the Continental Divide. Initially this approach was overlooked, yet it was later recognised as the foundation pillars of methodology employed when building the Panama Canal.

The construction efforts overpassed those of the Suez Canal. The meteorological conditions, the topography and the threat of the tropical diseases typical of that climate were imposed as serious challenged during the work on the channel.

The construction process was slow and expensive, to the point of deciding to abandon the sea-level approach proposed by French engineers and bet for a lock-based canal. As time passed by, the financial losses continued, deriving on the loss of public trust and eventually, the cessation of additional funding. The accumulation of these setbacks led up to the company's collapse in 1889. The corporation tried to reorganise in 1894, but the unsuccessful attempt ended with the cessation of operations by 1898. With the breakdown of the project, the hopes of completing the canal under French leadership disappeared too. Ultimately, with less than half of the excavation finished by the French, the United States grabbed the control and culminated the Panama Canal.

The moment the US Congress passed the Spooner Act in 1892 the course of the Panama Canal construction changed drastically. It meant the acquisition of the French assets and the U.S. take of control over the whole assignment. This diplomatic tie also led to the recognition of the nation on Panama, independently from Colombia by the very early twentieth century. The subsequent Hay–Bunau-Varilla Treaty enacted in 1904 between Panama and the United States met the conditions set by the Spooner Act and established the Panama Canal Zone.

## THE EXIT TO THE SEA AS A CATACLIST TO GEOPOLITICAL TENSIONS

Those states that have direct access to the sea have a geographic advantage that is fundamental to the economic and strategic development of nations even before they existed. Interior states are not fortunate enough to exploit the opportunities that this geographic advantage offers at various levels, from access to participation in international trade to global geopolitics. These states have struggled on several occasions to open a path to the sea, giving rise to territorial conflicts. Academics even claim that they are in a disadvantageous and detrimental situation not only economically, but also socially and politically, arguing that maritime access should be considered a legitimate right of all states (Casal, 2014).

Coastal countries have the capacity to establish seaports from which they can handle large volumes of imports and exports. The logistical efficiency offered by the possession of an active and well-functioning point is incomparable in relation to landlocked counterparts. In addition, these ports have a cooperative function between those states that establish connections through them, securing international supplies and fostering cross-border economic cooperation.

Foreign trade is a key driver of economic growth as it facilitates economic diversification and opens the door to foreign direct investment. Singapore or the Netherlands are states with extensive coastlines and relevant ports, which in turn stand out for their GDP per capita and their integration into the global economy <sup>3</sup>.

However, and considering the above-mentioned attractions, the ambition of access to the sea can also be a source of geopolitical tensions and conflicts. Landlocked countries tend to depend on their neighboring coastal states for the transit of goods. This dependence has on more than one occasion led to disagreements and the manipulation of customs policies. A significant example of this is the conflict between Chile and Bolivia, when the latter lost its access to the Pacific Ocean during the War of the Pacific between 1879 and 1883. Since then, disputes and diplomatic negotiations have been constant.

These tensions are of utmost importance because in addition to threatening regional peace, they also tend to disrupt international trade routes, thus causing an impact that goes beyond the territorial borders of the issue. In order to pick up the thread of the Silk Road, and to introduce the subject matter of the fourth chapter of this paper, the territorial conflicts that occurred on it will be reviewed. To the South China Sea in which states claim their rights over certain sea routes and strategic material resources.

### I. The right to maritime access

The origin of existence of landlocked states can be attributed to various reasons. Some have been so since their foundation, while others have lost their access to the sea due to historical events.

Landlocked states that are considered to be disadvantaged are those countries that, in order to access the sea must cross the territory of one or more neighbouring countries, completely lacking maritime access, excluding those with limited access through narrow corridors, such as Bosnia-Herzegovina, the Democratic Republic of Congo, Iraq and Jordan.

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<sup>3</sup> In 2022 Singapore's GDP per capita was 78,574 € and in 2023 the Netherlands' was 57,840 €, being both above the Eurozone average of 41,000 € in 2023 (<https://datosmacro.expansion.com/pib>).

When considering the disadvantages of not having access to the sea, Western European states are not taken into account either, since they enjoy certain geopolitical characteristics that mitigate these disadvantages; for instance, their capitals are no more than 500 km from a major port, they have numerous navigable rivers that flow into the sea, and the countries through which they must transit are highly developed and have the necessary infrastructure and institutions to facilitate trade. This is the case of countries that have remained stable over time due to strong national identities that have endured through time such as Switzerland, historical roots dating back to feudalism as in the cases of Luxembourg and Liechtenstein, or the disintegration of an empire, as occurred with the Czech Republic (Upreti, 2006).

On the other hand, most of the developing or less developed landlocked states, which are mainly located in Africa and Latin America, had their borders drawn during the colonial era. These boundaries were often the result of administrative division imposed by colonial powers, without consideration of geography or the needs of indigenous peoples. These arbitrary boundaries have had lasting consequences on the economic development and regional integration of these countries (Upreti, 2006).

### 1. Disadvantages and consequences of being landlocked

The lack of direct access to the sea hinders the integration of these states with the outside world, leaving them marginalised from international trade and the exchange of ideas, directly affecting the economy, technological innovation and the quality of their institutions. These states are among the poorest and least developed, which is reflected in their low economic growth rates and limited institutional capacities, becoming factors that hinder their own socioeconomic development.

In addition, these states tend to have export structures that are poorly diversified and highly dependent on agricultural or mineral products, which makes them extremely vulnerable to price volatility and external shocks. As a result, the susceptibility of these states to food crises, climate change, natural disasters and financial and economic crises is greatly increased. In the attempt by governments to diminish the negative effects of these vulnerabilities, pro-cyclical fiscal policies are implemented that further destabilize their fragile economies (Casal, 2014).

Another determining factor is the distance to markets and the transport infrastructure, which, due to their magnitude, increase the costs of these countries' products, reducing their competitiveness in the global market. High costs and transit times and poor transport conditions impose serious barriers to economic growth and make efforts to reduce poverty futile.

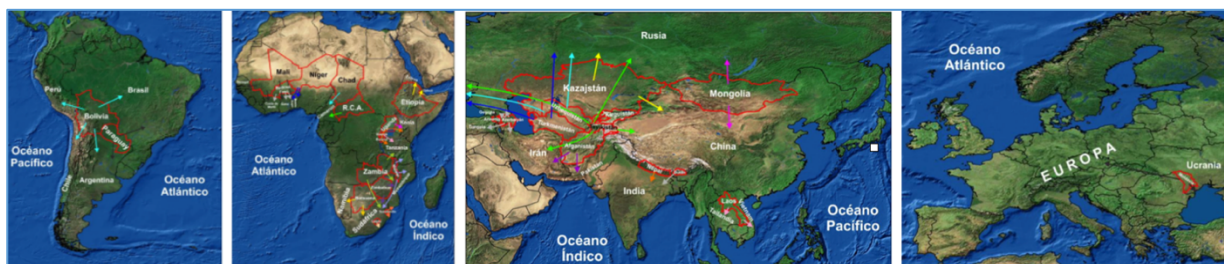


Figure 6. Transit routes for interior states

Source: <https://dialnet.unirioja.es/servlet/tesis?codigo=142777>

Because of this isolation, these countries are disconnected from the flows of people, capital and ideas that were so important in the early days of transoceanic trade in ancient times. The absence of maritime trade limits the import of technology, essential for technological progress, negatively affecting productivity and economic growth.

This need to cross borders and neighbouring territories to access international markets implies a series of additional costs that increase the final price of goods. In a global market that demands speed and reliability in trade, these additional costs, together with the lack of security and flexibility in transit, nullify the competitive capacities of these countries. Directly linked to these additional costs are the high administrative and bureaucratic burdens associated with border crossings. It is therefore not only a question of direct costs, but also of complex and often excessively demanding management by transit countries.

The political relations with the transit countries are usually critical and can be a reason for conflict. Diplomatic disputes or military tensions can result in border closures or changes in transit conditions, severely affecting the flow of trade globally. Internal instability in transit countries, such as guerrillas or civil wars, can also compromise trade routes, increasing the risk of damage or loss of goods.

Land transport implies high logistics costs and additional difficulties which can be up to seven times more expensive than maritime transport, divert resources that could be used for structural and logistical improvements, perpetuating a cycle of limited economic development and dependence on complicated and costly routes for international trade.

## II. The Conflicts in South China

The South China Sea location on the passage between the Indian Ocean and the Pacific Ocean is a strategic key of high importance for global maritime transport, which is why it is also one of the most disputed regions in the world. The value of this area is not just due to its strategic geographic location. In addition, this sea is filled fisheries and significantly rich on natural resources. China has claimed sovereignty over much of this region for a long time; however, tensions have intensified in recent years, threatening to disrupt the order and stability of the area and the world.

China's insistence on exclusive rights over the natural resources and fisheries of this area stems from historical expeditions that date back centuries during the years of the Han Dynasty and later the Ming Dynasty. By that time, the Paracel and Spratly islands, its main claims, were an integral part of its territory. The United Nations Convention on the Law of the Sea (1982) refers in its article 77 to the protection of historical titles and other special

circumstances when defining the rights of the coastal state over the continental shelf, yet the article does not contemplate the historical rights China demands. The third point of the same article excludes the right of a coastal states over the continental zone in cases of occupation, neither effective nor notional.



Figure 7. Nine Dash Line

Source: <https://chinaus-icas.org/research/map-spotlight-nine-dash-line/>

China is not the only state that claims exclusive rights over areas of this region. Vietnam, the Philippines, Malaysia, Brunei, and Taiwan, fully aware of the volume of goods transported by the trade routes located in this enclave, join China's intentions to obtain a right of ownership, navigation, and establishment of EEZ over it.

The stakeholders are not limited to the countries of the region but also include the indirect participation of the United States, which insists on its right to free navigation through these waters, which it considers international waters, thus ignoring China's claims.

This matter was brought to an arbitraty tribunal of UNCLOS in 2016. The tribunal not only dismissed China's claim but also classified the islands as rocks in accordance with article 121 of the Convetion. China ignores the terms set by this tribunal and strengthens its military presence in the area. It also builds multiple artificial islands on which it establishes military bases, habitable cities, etc., infringing on the principles of international law.

In response to these pressures and advances by China, the US becomes involved in the dispute, sending warships to the area to defend its previously mentioned right to free navigation in international waters. Additionally, it expresses its commitment to allies in the area (Japan, Australia, India), and promises to support them in defending their national interests in the region.

## 1. China's claims

The idea of the "Grand Strategy" has been integral to China's approach to international relations since the end of the Cold War and reflects perfectly their actions in the meridian sea over the last decades. This strategy represents a consensus among Chinese state leaders on the direction of foreign policy, outlining the economic, military and diplomatic efforts they intend to deploy in order to achieve their international goals.

Firstly, the absence of a direct military threat or likelihood of a major war after the end of the Cold War; and secondly, China's growing concerns about how the United States might challenge its core interests created a context in which the strategy moved from a national security-based approach to a plan that strived for elevation of its status as a major global power capable of shaping, rather than just responding to, the international system. In this sense, it responded to the United States' advantaged position in the international distribution of power and searched to shift the dynamics from the unipolarity with the US at the head, to a multipolar system (Goldstein, 2005).

Following the Tiananmen Square protests in 1989, Deng Xiaoping demanded his successor, Jiang Zemin, the adoption of a cautious approach to China's role on the international stage. He advocated for maintaining a low profile and not showing off their full capabilities. This principle became a fundamental component of China's diplomatic strategy and translated into a policy of peaceful development and the pursuit of a harmonious world. This approach is rooted in the strategy of not fully embracing its potential role as a global leader, focusing instead on resource accumulation and power, while avoiding direct confrontations with major allies and powers. According to Breslin, Chinese foreign policy pivotal principles were "political confrontations with the West should be avoided; multilateralism should prevail over multipolarity; the world's multipolarization (duojihua) could continue to be promoted but should not anymore (or only) be a weapon directly aimed at weakening the USA; and nationalism must be reined in, or at least utilized more parsimoniously." (2010 p. 3). Other aspects of this strategy also seek to concentrate efforts on causing an impact on those regions out of China's natural geographical scope, such as Central Asia, Africa to Latin America. The expansion of the relations with these areas would benefit China's independence when acquiring natural resources such as oil in the Middle East (Zhang, 2010, p. 54-55).

### 1.1 Artificial Islands as effective control?

Since 2014, China has embarked on a project to construct artificial islands in this disputed zone of the South China Sea and the Pacific. These islands are built on rocks or reefs that are near the surface at high tide. Some of these islands serve military purposes, equipped with missile systems, radar, airstrips, fuel storage facilities, and naval bases to bolster China's military expansion. The Spratly Islands, located between the Philippines and Vietnam, are notable examples, comprising almost 100 reefs and islets.

On the other hand, some of these artificial islands have economic objectives aimed at expanding trade and establishing new financial and business hubs. This strategy significantly enhances China's ability to control a crucial international maritime route, through which a substantial portion of global trade is conducted. This control gives China a powerful voice in international economic and political arenas. Still, the UNCLOS article 77(3) denies any right

over the continental shelf for reasons of effective occupation, as it seems China tries to demonstrate by establishing themselves economically and military on the area.

## 2. Legal Instruments

The determination of the PCA regarding Taiping Island's status as naturally occurring island would have provided China with exclusive EEZ rights over the area surrounding Mischief Reef, which could have overlapped with the Philippines' coastal EEZ. When coastal states have overlapping maritime entitlements, they are required to engage in a process known as "delimitation" to define maritime borders. Importantly, states can opt out of the PCA's jurisdiction over such delimitation disputes through specific declarations, a step China had taken in 2006. However, they were classified as a "rock", considering the island's inability to support a stable community independently, due to its heavy reliance on Taiwan.

This classification limits Taiping Island's maritime entitlements to a territorial sea of 12 nautical miles, which does not extend to the 200-nautical-mile of exclusive economic zone (EEZ). Consequently, confirmed that China's six artificial islands in the region do not reside within a Chinese EEZ. This affirmation restricts China's authority under Article 60 of UNCLOS.

In addition, the PCA's ruling led to the resolution of a second significant issue involving the construction and maintenance of an artificial island by China at Mischief Reef. The court found that this act violated the Philippines' rights under UNCLOS. The PCA determined it was illegal to build and maintain an artificial island within the EEZ of another sovereign state, in this case, the Philippines, which has exclusive rights to authorise and regulate such constructions within its coastal EEZ.

Had the PCA recognised Taiping Island as a naturally formed island entitled to an EEZ, it would not have jurisdiction over the disputes concerning China's artificial constructions at Mischief Reef due to China's previous declaration. The PCA's decisions thus underscore the complexity of international maritime law and the ongoing disputes in the South China Sea.

## III. Chokepoints

When it comes to trade routes, there are certain areas within them that are especially sensitive due to their geographical characteristics. Choke points are points along the maritime trade route that are geographically very narrow, so a considerably small area absorbs a large volume of traffic in goods, resources, and energy. Their high strategic value is explained by the reduction in time, distance, and costs they offer, in contrast to other maritime routes that, while easier to navigate, are much more extensive.

The advantage in terms of efficiency derived from the use of choke points comes at a high price. The strategic relevance of these straits translates into high sensitivity to environmental disturbances, whether due to accidents or weather conditions, or due to decisions made by powers with control or influence over them. The blockage or collapse of one of them can have major global impacts. The threat of closing the passage at choke points is even used as a diplomatic tool by powers to pursue their domestic interests.

## 1. Problems in the Suez Canal

In March 2021, the Ever Given, a container ship of immense dimensions operated by the Taiwanese transport company Evergreen Marine ran aground in the middle of the Suez Canal. In its route from China to Rotterdam through the strait connecting the Mediterranean Sea with the Red Sea, the ship's direction moved out of the expected course. Investigations and expert reports attributed this deviation to a series of strong winds combined with certain human errors. The wind-driven speed made the vessel uncontrollable for the helmsman, causing it to become diagonally stuck.

This position blocked the canal through which approximately 12% of the world's trade passes, resulting in over 300 ships waiting to cross. Some were even forced to divert their route around other routes, thus forgoing the significant time and cost savings provided by the Suez Canal. The main alternative routes were the Cape of Good Hope and the Northern Sea Route. The Cape of Good Hope seemed to properly serve as a viable secondary route due to its capacity to soak up large volumes of traffic, despite longer sailing times and higher costs. Similarly, the Northern Sea Route presents quite a profitable alternative for shipping companies aiming to minimize expenses and enhance route efficiency.

The disruptions were fewer in the United States than in Europe and Asia, since the first one is more dependent on other routes of the Pacific and the Panama Canal, however they were not saved from some disruptions either. These repercussions were immediate, with fuel prices rising by \$0.40 in its wake, and expected to last for months, given that the incoming ships were forced to wait in the line (Lee, et al., 2021).

The efforts of the Suez Canal Authority (SCA) and international rescue teams to dislodge the ship were relentless, involving dredging, towing, and excavation around the hull of the Ever Given for six days. Finally, the ship was freed thanks to these efforts, aided by the high tide. Such an event served to demonstrate the importance of this maritime route but also to elucidate the fragility of international trade in the face of physical and natural obstacles. It sparked a global dialogue on the need for viable alternatives and improvements to incorporate infrastructures capable of mitigating future incidents. The incident also brought to light the interdependence between global economies.

Recently this year, in March another event occurred that put the Suez Canal in a limit position. Houthi groups attacked commercial vessels, practice that has become more and more frequent on the Red Sea. These attacks have similar impact on the international order as other kind of incident, yet the intentionality of them raises major concerns given the dangerous environment it provokes, not only for the ships and infrastructure, but also and most importantly for the crew on board.

This Canal is integral to China's Belt and Road Initiative, whose aim is to enhance trade links between Asia and Europe through a network spanning dozens of countries. The blockage not only stands in its way but it also highlighted vulnerabilities in relying on a single maritime route, which was understood by the international community as the imminent need to carry out this project, as well as other initiatives in order to supply the maritime sector a wide range of efficient routes.

## 2. The Ormuz Strait Chokepoint

A few months ago, in April 2024, Ali Reza Tangsiri, head of Iran's Revolutionary Guard Navy warned the International community about potentially blocking the Strait of Hormuz, a narrow Channel between Iran and Oman that transports in it waters about 20% of world oil supply. In a context of tensions after the attack on Iranian Consulate in Damascus<sup>4</sup> (FOOTNOTE), these comments rose even more pressure due to the strategic importance of the Strait and the awful consequences blocking it would have had for the oil markets.

These threats were a response to external pressure, especially coming from the United States with the imposition of sanctions to Iran's oil sales. The blockade warnings are a recurrent resource used by Iran when they face a possible sanction, yet these threats have never materialised. Nevertheless, the importance of this Canal has been proven in several occasions in the last years when due to incidents like attacks and seizures of oil tankers the waterway gave up working, causing critical stops in the oil market.

This scenario underscores the delicate balance of power in the region and the global implications of political decisions and military actions around the Strait of Hormuz. The ability of a single nation to influence such a significant portion of the world's energy supply exemplifies the interconnected nature of international relations and global economics today. As tensions continue to simmer, the international community remains vigilant, understanding that the outcomes here could ripple out, affecting economies and diplomatic relations far beyond the immediate region.

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<sup>4</sup> On April 20, 2024, the Iranian Consulate in Damascus, was attacked by an armed group believed to be affiliated with anti-Iranian factions within Syria. The attackers used explosives and heavy weaponry, causing extensive damage to the consulate building and surrounding structures. This incident resulted in several casualties, including both consulate staff and security personnel.

## ONE BELT ONE ROAD INITIATIVE

### I. Context and objectives

At the beginning of the 21st century, China has been solidifying its position as a global power in a process known as the 'Chinese ascent', ready to challenge the United States' hegemony.

The arrival of Xi Jinping to power at the end of 2012 marked a turning point in China's foreign policy, giving it a more assertive character, yet without ever abandoning its long-term goals: sovereignty and territorial integrity, economic development, and international status. Indeed, the doctrine developed by Xi Jinping of the "Chinese Dream" is perfectly aligned with these objectives. This concept is closely linked with the Belt and Road Initiative (BRI), launched in 2013, which is considered Xi's signature project as it reflects his global ambitions in the fields of trade and infrastructure (Bisulli, 2020).

President Xi Jinping introduced the initiative as a pivotal economic policy to boost China's global investment footprint. The word "Belt" refers to the historical Silk Road, as the land route that crossed Central Asia extending to Europe, whereas the word "Road" refers to maritime routes connecting South Asia, Africa, and the Middle East through Southeast Asian waters. The Chinese government and private sector explored various paths to expand interconnectivity, and the New Silk Road came out as the perfect way to do so. Once the plan was outlined, President Xi commanded a series of groups of experts to carry out the development and implementation of the plan and tasked The National Development and Reform Commission to define the initiative's framework in 2015, highlighting economic corridors such as China-Central Asia-West Asia, New Eurasian Land Bridge, China-Mongolia-Russia, China-Pakistan Economic Corridor, China-Indochina Peninsula, and Bangladesh-China-India-Myanmar. In order to make possible this huge trade route, they had to take into account the construction of infrastructure like ports, roads, railways, grids, pipelines, and communication cables (Mendee, 2020).

The project is labeled as extremely ambitious since it is not just reduced to the land and sea routes inspired by the ancient Asian roads that connected the whole world's trade, yet it also refers to other initiatives presented by the government in the following years such as the Space Silk Road, the Digital Silk Road, the Arctic Silk Road, the Green Silk Road and the Health Silk Road. The efforts conducted by the Chinese government go from institutionalisation of the project to the incorporation of the BRI to the Chinese Constitution, besides the great investment made, at state level with the Silk Road Fund, and the national banks. In short, it is a has a multidisciplinary character that seeks to centralise the authorities so it is possible to provide the best management and implementation possible before the established due date, 2049.

#### 1. One Belt One Road goals to achieve

The One Belt One Road Initiative, as previously mentioned, is an idea that encompasses multiple facets of China's economy. Given the ambition, the resources at disposition and the

wide scope of it, the number of fronts it would cover is not small. These are some of the main purposes the Chinese government planned to cover by developing this proposal.

One perspective on China's policy innovations is that they were primarily focused on boosting the development of the western regions of China, which were in a disadvantageous position considering the eastward direction of the exports in the previous decades. The fact that these regions were not close to the coast, left them unable to compete with the eastern regions, which were the main actors in terms of exportations. Additionally, political tensions with neighbouring countries in Central Asia and India, have further impeded progress in the area. This was reflected in the GDP per capita income in western provinces in 2013, before the plan was launched, which was only a third to half of that in the eastern provinces of Guangdong, Fujian, and Zhejiang, and a quarter of that in Shanghai and Beijing (Ferdinand, 2016).

When China made public their ambitious intentions, they committed up to US\$1 trillion to enhance transportation links and other infrastructural investments within the country, with a significant portion allocated to the western regions, which form a crucial part of the 'belt' part of the project, showing that their action plan was in line with this objective (Ferdinand, 2026, p. 10). Besides this, another objective that Chinese President Xi Jinping sought to pursue with the BRI initiative is the establishment of diplomatic relations with neighbouring countries, providing a network of defense and security at the borders which would ensure the success of the project (Parra, 2018).

In this context, the president declared its aim to share its development history and experience with other nations, aspiring to realize the "China Dream". This includes supporting the preservation of diverse cultures such as Japanese, Indian, Islamic, Western, Eastern Orthodox, Latin American, and African civilizations, while also learning from their valuable aspects.

Another purpose for which this project was initiated is the capacity it would provide the country to address its problem of production overcapacity. China is known for its high productive capacity. What might initially be considered a virtue is actually a problem, since such large quantities of goods would end up exceeding the national demand for products. This phenomenon could lead to the collapse of Chinese companies, especially those in the cement and steel industries. However, by driving a project of these dimensions, the country itself creates an international demand for construction and infrastructure, thus providing an outlet for this excess production (Mengzi, 2019).

The New Eurasian Corridor is a key part of the Belt and Road Initiative. Its relevance is due to two factors, on the one hand, it enables China to secure raw materials and food from the European markets; and on the other, this direct connection with Europe reduces its reliance on trade with countries like the United States. Besides, it enhances trade routes, allowing quicker and more cost-effective access to European markets. Not only China would stop depending on the US, but other countries in Latin America found this initiative the opportunity to foster their productive capacity.

This new routes' purpose is also the enhancement of maritime security. Although the initiative is mainly economic, the establishment of various corridors allows China to safeguard its security interests as well. For instance, the China-Indochina Peninsula Economic Corridor is said to be capable of suffocating tensions with certain countries, at the same time they strengthen economic ties, like with those in the South China Sea. Moreover, the China-

Pakistan Economic Corridor and the construction of the Gwadar Port provides China with access to a deep-water port with enough space to accommodate large vessels like aircraft carriers. Additionally, China has made its way to the horn of Africa by building a military base in Djibouti<sup>5</sup> which allows the control of the Bab al Mandeb strait.

## II. Financing the New Silk Road

From the very beginning, China recognised the need to supply themselves, as well as other BRI countries with the adequate financial instruments if they wanted to carry out the project successfully. Therefore, they as soon as the project was announced, they started to work on the creation of a set of institutions and tools precisely destined to the Belt and Road Initiative, along with the strengthening of the existing ones.

Considering the long repayment periods of large-scale infrastructure projects like the ones under the Belt and Road Initiative (BRI) due to their extensive duration, plus the fact that many of the countries involved in the BRI lack mature financial markets, the project did not count with interest of the private sector from birth. In the early stages of BRI implementation, the active participation of Chinese national development financial institutions, such as the China Development Bank (CDB) and the Export-Import Bank of China, also known as Chexim, played a crucial role in attracting private investment. Due to their substantial reserve assets, CDB and Chexim have become primary lenders for the projects in BRI countries, by offering export credits, billionaire concessional and market loans, and maintaining the interest rates significantly low ((Liu et al., 2020).

China officially launched the Asian Infrastructure Investment Bank in 2014 as the ultimate tool to guarantee the completion of the road. This bank had the fixed goal of joining substantial financial resource on the one side, and China's expertise on the construction of infrastructure on the other, so it could offer aid to other countries in Asia who may need certain boost in their development processes. In a few months, the AIIB gained its momentum, and countries such as France, the UK, Brazil, Australia and Russia did not take long to attach to it, despite some concerns from other actors regarding its lending procedures and governance structures (Johnson, 2016).

Since the very beginning, the focus was on regional connectivity projects, therefore, China established the Silk Road Fund (SRF) in 2015. This institution was back by China's sovereign wealth fund, the China Investment Corporation, as well as by rhetorical China Development Bank, the Chexim and the State Administration of Foreign Exchange. They destined the majority of the resources to financing transport infrastructure, i.e. port, airports, roads, railroads and bridges. This finance institutions diverges from the traditional aid programs because this one is intended and capable of generating profits. (Johnson 2016).

Additionally, China's Ministry of Finance, in accordance with the financial departments from 27 other countries such as Argentina, Russia, Indonesia, the UK, and Singapore, put

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<sup>5</sup> Djibouti constitutes a strategic enclave that attracts the interest of many countries such as the US, France, Italy or Japan to establish military bases, since its privileged location and its proximity to some relevant hot points. By putting their lands on lease to these countries, Djibouti obtains good profit, given the scarcity of resources that characterises their territory.

together the “Guiding Principles on Financing the Development of the Belt and Road”. These principles encourage the use of financial resources such as risk sharing mechanisms, co-financing, refinancing and shareholding between the member if the initiative. The participant states agree that this is the way of achieving real economic development in target countries, where infrastructure, trade, investment, and production capacity cooperation should be prioritised. By the end of 2018, the People’s Bank of China and various international financial institutions had co-financed over 100 projects in more than 70 countries and regions (Liu et al. 2020).

It also remarkable the collaboration between the government and the private sector, which has been key when maximising the effectiveness of the private investment and the development finance. For this, China has actively promoted the establishment of public-private partnerships (PPP) in the framework of the Belt and Road Initiative. The public-private partnerships, as the name suggests, are long-term cooperative arrangements between the public and private sector, which are usually used in the transport, energy, electricity, oil or gas industries. They have a policy enforcement capability and promotes the government credibility of the countries involved. A memorandum of understanding was signed in 2017 with the United Nations Economic Commission for Europe which the implementation of the PPP mechanism in the projects of the BRI in all countries. By mid 2017, 865 PPP projects had been implemented in 64 countries along new route, totaling and investment of \$509 billion USD (Liu et al., 2020).

### 1. The stakeholders of the project

Among the main beneficiaries of the, the county of Azerbaijan has found in the New Silk Road a source of opportunities for their development. It is located within the Middle Corridor, a territory historically crucial in the Silk Road voyages. Whereas the maritime route or the Trans-Siberian land road, are said to take 30 and 12 days respectively to transport goods from China, the same task through the Middle Corridor takes 12 days (Humbatov, 2018). Apart from its geographical attractive, this area offers China a politically beneficial route since the countries part of the corridor are potentially save and enjoy stable diplomatic relations with third states.

A decade ago, reports illustrated Azerbaijan and Kazakhstan dependence on oil and gas industries. Consequently, both countries actively sought strategies to diversify their economies, especially considering their strategic geographical position. For instance, Kazakhstan received a substantial loan of \$10 billion from China in 2009, from which \$5 billion were allocated to the KazMunaiGas Company (Gebauer, 2017). By enhancing connections with China and Europe through the OBOR, they aimed to strengthen their role in the global sphere and link their transportation hubs with Western markets. This approach perfectly aligns with China's broader strategy to secure its involvement in global energy supplies and offer more competitive opportunities than Western lenders.

Additionally, the objectives of the One Belt One Road initiative significantly influence the economic model of the European Union, at the same time they allegedly align with their core values and interests. Trade opportunities have already expanded for countries like Poland, Serbia, and the Czech Republic through agreements between China and local businesses. Products such as Dutch veal, Polish apples, and French wines are increasingly sought after by China's consumers. The OBOR initiative has the potential to elevate trade between China and Europe as it comprises the largest consumer market, resulting in a significant economic boost,

something enormously beneficial to palliate the economic stagnation to which Europe has been exposed in the past.

### III. Critics and concerns

While it is true that a project of such magnitude brings a wide range of benefits for the interested parties, it is inevitable that it also raises numerous concerns and criticisms around the international stage. The moment this transcontinental trade route was presented to the world as a beacon of hope for several states struggling to enhance their development, as well as for those wishing to break free from dependence on other powers for their sustenance, various sectors, countries, and international organizations feared the risks that the implementation of this network might entail.

More than a decade has passed since the President of China announced his intentions with this initiative, and since then, many states and institutions have doubted the ability of the involved actors to carry out such an ambitious project. In addition to speculations about China's and its allies' inability to meet their objectives, there are public criticisms regarding the integrity of the project, claiming that it might not only serve as a source of development and income but could also result in catastrophe for certain sectors of the global system.

A significant concern raised about the Belt and Road Initiative (BRI) pertains to its environmental impact. Regardless BRI's 2019 slogan of “Clean, Green and Open,” promoted during the Belt and Road Forum (BRF), the critics on the environmental impact of the project and the poor implication of China remain active. The Chinese government is said to have taken huge steps toward a cleaner climate governance by reducing carbon emissions domestically and promoting green investments overseas among its companies. However, Chinese companies find investment abroad beneficial because outdated technologies which do not comply with green standards can still compete effectively in developing markets. Many BRI countries have minimal restrictions on traditional power sources like coal-fired plants and sometimes even encourage their use (Tower, 2020).

According to the Climate Works Foundation, the 126 BRI countries are responsible at the same of generating 23% of global GDP, and of giving off 28% of global carbon emissions. Consequently, criticisms also focus on the specific projects that ignore and weakens domestic environmental governance in the host countries (report, 2019).

A significant issue raised by reports concerning the Belt and Road Initiative (BRI) is the challenge it presents to community rights. The main concerns do not directly appeal to the violation or disregard for land rights, whether they be indigenous, traditional, or individual due to the lack of evidence, yet, there is considerable prove that the Chinese business culture creates opportunities for bureaucrats in weaker states to profit from short-term human rights violations, since it is more fruitful for them to prioritise individual networks with enough power to influence the elites (report, 2019). It should be noted that by setting aside safeguards for human rights, these businesses may reinforce a culture of impunity in many BRI host countries.

There is compelling evidence that ignoring community rights has caused notable loss of interest from investors in Cambodia. Is example of this the Union Development Group's project in Koh Kong, where local government officials were commanded the acquisition of land for a large-scale tourist project. The company on its side, was responsible for providing funds to the

local government. This resulted on a poor handling from the local government which forced the company to take control to solve the issues regarding the clarification of the land and the discontent of many landholders who had not agreed on compensation terms. This led to major protests and clashes between community members, the company, and local security forces, causing significant damage on the company's reputation and considerable delays in the project's progress (Miller et al, 2016).

One of the loudest criticisms of the Belt and Road Initiative (BRI) is the lack of transparency. In a report carried out by German press, interviewees affirmed that , "There is no information being shared by the government on MOUs [memorandums of understanding] or agreements; even low-ranking officials are kept in the dark." , it raised great concerned that fact that the users interviewed could not answer precisely to the question, "Do you know where to go to get information about BRI projects?" (Tower, 2020. p. 18).

It is known that the Chinese government has established specialised financial institutions and instruments to facilitate the completion of the project, however, critics highlight the lack of official regulation and standards for BRI projects at the political and cooperation level, that is to say, there is no formal government regulation defining the use of the term "Belt and Road Initiative.

Infrastructure projects financed by private Chinese capital are often labeled as "BRI" or "contributing to the BRI", needless to receive any formal authorisation from the Chinese state government. Some countries investments labeled as such are restricted, banned, or otherwise deemed illegal for outbound investment by Chinese authorities. Despite China's clear laws prohibiting its nationals from investing in overseas gambling, the truth is that there is no evidence of real efforts by Chinese government authorities to address private Chinese businesses labelling such projects as part of the BRI.

The OBOR initiative is said to hold huge potential to undermine sovereignty, national security, and fiscal sustainability of participating countries. These concerns primarily refer to the significant debt levels that BRI countries have acquired since it was born in 2013. The studies that have documented the consequences of the loans that poorer countries have taken from China affirm that the debt levels to China have increased by more than 20 percent in several BRI host countries since that date (Tower, 2020). These findings highlight the complex financial dynamics at play and underscore the need for careful consideration of the long-term implications of BRI-related borrowing.

Critics about the Belt and Road Initiative (BRI) gather about the fact that it undermines democratic norms, human rights, and the space for civil society. It is thought that by exporting goods, technology and investment, China is also exporting its own lack of respect for democracy and human rights. The reasons why this thought persist among critics are several. Firstly, China typically collaborates with countries where there are significant divisions between the state and society, supporting governments in suppressing opposition voices. Another concern is China's collaboration with the so-called government-organised non-governmental organisations (GONGOs), which have gained influence in China given the support they receive from the government, and particularly since the introduction of the Foreign NGO Law in 2017. The Chinese government promote GONGOs to form ties with NGOs in BRI members, by developing corporations like the Silk Road NGO Alliance. This alliance has established close ties with organisations such as the Cambodian Civil Society Alliance Forum,

raising concerns about the independence and effectiveness of civil society in these regions (Tower, 2020).

The Belt and Road Initiative has failed to address investment security and conflict dynamics. Currently, the BRI lacks a framework to consider its impact on peace and security, meaning that the initiative has a clear impact on conflict dynamics at community, subnational, national, regional, and international levels, without further action to address or mitigate them. BRI is physically present throughout extended kilometers, therefore, its potential to affect in major global conflicts is undeniable.

## CONCLUSIONS

The historical examination of trade routes, particularly the Silk Road as the most impactful and determinant for today's order, brings to light the undeniable impact these ancient networks had on the formation of civilizations. The Silk Road facilitated not only the exchange of goods but also the transmission of culture, technology, and ideas, fostering a significant degree of interconnectedness among regions separated by long distances. It also underscores the affirmation that the accumulation of strategic advances such as the possession of natural resources, commodities of interest for consumers and strategic geographic location provides states with the necessary means to become a relevant actor in the international system. In the ancient international order, the power belonged to the Empire which has control over the critical territories of the trade roads. Consequently, the moment the trade patterns changed with the birth of triangular trade first and the industrial revolutions later, the power dynamics, political organisation, territorial distribution changed, and demography changed as well.

The construction of the Panama and Suez Canals marked moments in the history of maritime trade, which drastically altered global trade patterns. The Panama Canal, despite its challenging construction conditions, emerged as a vital shortcut connecting the Atlantic and Pacific Oceans, significantly reducing transit times for ships. Similarly, the Suez Canal provided a crucial link between the Mediterranean Sea and the Red Sea, facilitating more direct trade routes between Europe and Asia. Advances in infrastructures that facilitate trade hold enough potential to impact other independent, related aspects as intentional relations, conflict creation and solving or military presence, as illustrate the importance of the Panama and Suez Canals.

Out of the factors that enhance state's possibilities to actively participate in international trade, the one that is most desired relates to the sea, which has always been a crucial determinant of a nation's economic and strategic potential. Coastal nations inherently possess advantages such as the ability to establish ports, join international trade route pathways, and exert geopolitical influence. On the contrary, landlocked countries face challenges like higher transportation costs, dependency on neighbouring countries for transit, and limited access to global markets deriving from their distance from the coastline. The debate for the recognition of maritime access as a legitimate right, emphasising the economic and strategic disadvantages faced by landlocked states highlights the importance of it.

As repeatedly stated throughout the paper, the South China Sea represents a critical hub with encompasses numerous geopolitical interests, due to its strategic location and abundant natural resources. China's assertive claims over this region, grounded in historical reasons, have intensified the conflicts with neighbouring countries such as Vietnam, the Philippines, Malaysia, Brunei, and Taiwan. The involvement of the United States, advocating for free navigation through these waters, further complicates the geopolitical landscape, and portrays their ongoing strain with China, since it moment the oriental state became a threat to the North American hegemonic power. Unexpected incidents and sudden attacks on critical points of the most transited trade roads usually affect the global commercial order.

China's Belt and Road Initiative (BRI) materialises the country's efforts to create an interconnected global system through extensive infrastructure projects. The initiative's aim to create a network of trade routes linking Asia, Europe, and Africa, thereby fostering economic cooperation and development raises the concern of several sectors. While the BRI offers

substantial opportunities for participating countries, it also makes the countries come to the forefront for the serious environmental impact, lack of transparency, and potential debt dependency these projects could cause.

To date, the New Silk Road project has spent the first few years mobilizing, attracting investment and potential locations, followed by a phase of implementing the pillars and adapting the initiative to the challenges of reality. According to statements by a Chinese ambassador, as of 2019, 152 countries and other international players had formalized their cooperation with China. According to data published by the World Economic Forum, between the construction of railway networks, ports, airports, pipelines and other infrastructures, investments have reached \$60 billion.

The environmental implications of large-scale infrastructure projects under the BRI are significant. Critics argue that despite its public commitment to green investments, China continues to leverage from and rely on outdated and polluting technologies in countries those with lax environmental regulations. Additionally, the potential for human rights violations and displacement of local communities poses serious ethical concerns.

In spite of its progress, the BRI faces several roadblocks that challenge its long-term viability. One major concern is the financial sustainability of the initiative. Many participating countries have accumulated significant debt due to BRI loans, raising concerns about debt dependency and economic sovereignty. Critics argue that China's lending practices could lead to "debt-trap diplomacy," where countries struggle to repay loans, resulting in China gaining control over strategic assets.

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