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### Globalization Redux: Can China's Inside-Out Strategy Catalyze Economic Development Across Its Asian Borderlands and Beyond [post-print]

Xiangming Chen

*Trinity College*, [xiangming.chen@trincoll.edu](mailto:xiangming.chen@trincoll.edu)

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**Globalization Redux:  
Can China's Inside-Out Strategy Catalyze Economic Development  
Across Its Asian Borderlands and Beyond\***

*By Xiangming Chen*

**Abstract**

As the narrative of globalization in crisis heats up, China has stepped up as a new champion of globalization with its Belt and Road Initiative (BRI). This article repositions 'China in the Global South' to the front and center of the globalization discourse. Through a triangular framework, I differentiate and reconnect the three 'master' processes of *urbanization*, *development* and *globalization* to understand the inside-outside connections between China's domestic transformation and strong impact in the Global South. Using China vs. Southeast Asia and Central Asia, I evaluate if and how China's inside-out strategy can catalyze mutually beneficial development across some Asian borderlands and beyond.

*Keywords:* globalization, urbanization, development, China, global south

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## Introduction

Globalization is an inherently uneven spatial process that tracks the unequal cross-national distribution of economic and political power. This power is leveraged by certain dominant nations' comparative and competitive strengths during given eras of world history. Increasingly, dominant global influence from certain nation states has shifted toward their powerful global cities or other cities of strategic and special functions. The overlap and mismatch between national and urban power creates more complex spatial inequalities at the regional and local levels. It however can also generate cooperative tendencies to counter and ameliorate unequal development and spatial disparity.

These shifts and their consequences raise new questions about how to understand the two basic dimensions of national versus city based influence on nearby and faraway places and people: *scale* and *connectivity*. While scale represents important attributes of discrete origins or locales of power, connectivity embodies the relational aspect of influence. The greater scale and scope of power originates from more strategic locations, more key points of contacts and their stronger spillovers. Stronger connectivity of power stems from the larger number, more variety and greater intensity of connections that are both virtual through financial networks and physical via transport links. Relative to the heavy focus on the power and connectivity of global financial networks, the latter deserve our renewed attention in light of China's infrastructure-led approach to globalization treated in this paper.

While the scale and connectivity of power underpin the more conventional reach and impact of globalization, their continued importance has recently been entangled with the shifting political ideologies of existing powerful states that have also been the biggest drivers of globalization. With the rhetoric of 'America First' and withdrawal from the Trans-Pacific

Partnership (TPP), the United States under President Trump has taken a big step back from globalization. Although Brexit may not be exactly anti-global, this move reflects a backlash against the practices of globalization such as open borders and immigration.

These retreats from globalization look like temporary setbacks from the long history of globalization. Taking a very long view, Chanda (2007) saw the Silk Road as an early manifestation of globalization in terms of long distance trade. If we emphasize the broad scope and accelerated speed of more varied and dense global flows, it would make sense to date the beginning of globalization to the 1970s. Supporting this timing of globalization was China opening its doors and joining the global economy around 1980. This helped to usher in a growing body of scholarship advocating globalization as reflecting an open and ‘borderless’ world economy (see Chen, 2005). Globalization has since moved up a big notch measured in trade as a share of the world’s GDP, which rose from 39% in 1980 to 60% in 2008.<sup>1</sup> Despite the global financial crisis in 2008, globalization measured in the composite Global Connectedness Index rebounded through 2015 (Ghemawat, 2017).

As globalization becomes more intensified, it has brought to light the negative consequences such as the erosion of national sovereignty and growing income inequality. Looking back through the lens of the Great Depression, James (2008) found an important part of its cause in the resentment against global capital flows, trade and migration and drew this as a lesson for contemporary globalization. Critiquing globalization as a paradox from a Western perspective, Rodrik (2011) contends that economic globalization cannot co-exist with both democratic politics and national sovereignty, either of which must be sacrificed for pursuing globalization.

Having benefited considerably from globalization, China has become a counter to this paradox. It has pursued globalization with a strong single Party-state, which does not have to worry about the erosion of democracy or loss of sovereignty. China has also gained considerable

confidence and stature from becoming more globally connected and integrated. Against the West's recent retreats from globalization, China has stepped up to the front and center of the pro-globalization plate. President Xi Jinping spoke confidently about the virtue of open trade and the danger in retreating from it at the 2017 World Economic Forum. Backing up this rhetoric with strong action has been the accelerated implementation of the ambitious Belt and Road Initiative (BRI) that China launched in 2013. According to McKinsey's new Financial Connectedness Ranking, a key dimension of China's global connectedness has grown, with its outward stock of bank lending and foreign direct investment (FDI) tripling from 2007 to 2016 (McKinsey Global Institute, 2017).

China becoming the new champion of globalization intrigues me to pose two critical research questions. One is how does China lead globalization in ways that differ from the Western economic powers? It calls for probing if China can produce a different mode of globalization given its demographic size, newly acquired economic wealth and political institution. The other question is how to gauge the growing impact of China-led globalization. It begs an investigation into if China can deliver more benefits from its approach to globalization by creating greater wealth while mitigating inequality. Both questions require a new starting point and deeper analysis beyond the existing literature on globalization, principally because China is a distinctive global power driven by a strong state. With a dual identity as both a leading global power and a large developing nation, at least for much of its interior, China's approach to globalization calls for fresh analysis. This paper meets this scholarly challenge by examining China's leading role in shaping a new era of globalization via its widespread and yet geographically concentrated influence in the Global South.

This paper is organized as follows. The next section develops an integrated framework for understanding the sources, mechanisms and effects of Chinese globalization emphasizing its

inside-out dialectic logic. I intend the framework to clarify the distinctive, if not exceptional, combination of China's internal and external regional conditions that has catalyzed its global initiatives across various Asian borderlands. The framework is then used to guide a pair of case studies focused on Southeast Asia and Central Asia for comparing how China's global strategies are reshaping urban and regional landscapes around its borderlands and far beyond. The last section explores the broader implications from the interface between the framework and two case analyses.

### **Decoding China's impact in the Global South**

To the extent that we see the current phase of globalization in some kind of crisis and China as a counter force to it, it invokes the translation of the English word 'crisis' into the Chinese language (危机), whose two characters literally mean 'crisis-opportunity'. There may be a Chinese philosophical dialectic ring to the translation in conveying a sense of contradiction or balance. If globalization is in crisis, real or perceived, it can be accompanied by a set of new opportunities for creating an alternative approach to globalization associated with by China's development policies and practices over the last three decades.

The scale dimension of China's global economic power is obvious. With a continental sized territory and world's largest population, China sustained the largest share of the world's GDP and peaked at around 35% by 1820, far ahead of the relative positions of the Western industrializing economies at that time). Having dropped to about 3% by 1980, China's weight of the world's GDP returned to around 15% today, two centuries after its historical zenith.<sup>2</sup> The combined force of reform, opening and transformation over only three decades has elevated China to: a) the world's second largest economy; b) the world's largest trading nation; c) the

world's largest exporter; d) the world's largest manufacturer; e) the world's largest energy consumer; f) the world's largest auto market; g) the world's largest user of steel, cement and copper; and h) the world's largest applicant for patents. All these superlatives magnify the scale dimension of China's global economic power, but they tell us little about how these top rankings of China's strength translate into real impact and how and where this impact is truly felt. Scale of power coupled with its connectivity is key to understanding China's multifaceted influence across the Global South.

The large scale of economic power generally translates into an extensive connectivity of that power, even though this association is not always linear, and is instead contingent on how a given nation or city projects its internal strength in forming external connections carrying and extending a powerful influence. It also depends on how we think about measuring the correlation between scale and connectivity of a new and different global power like China. As China grew into the world's top trading nation, trade as a share of its GDP, a more conventional measure of trade dependency or connectivity, rose from 9% in 1960s to 37% in 2016.<sup>3</sup> While this was a big increase, from a time when China was basically closed to world trade, China's current share of its GDP is expectedly small relative to its overall economic scale. It is smaller than the world's average of 58% and even slightly lower than India's 40%, while the export manufacturing powerhouse of Germany registered at 84% for 2016.<sup>4</sup> Looking at global economic power from a different comparative vantage point, the number of countries for which China is the largest trading partner stands at 124 relative to 56 for the United States (Khanna, 2016, Map 2). His map shows that the US' top trading ties are heavily concentrated in North America, Western Europe and the Caribbean, whereas most of China's trade ties reach Eastern Europe, Africa, Asia and Australia. Map 3 in his book also shows the increasing centrality of East Asia with China at the core in supply chains and trade networks.

The combination of one long coast and one lengthy land border facilitates China's trade with a larger number of countries, especially those around its (south)western borders extending all the way to Europe and the Middle East. Factoring this geographical thinking triggers other ways of measuring the connectivity dimension of power beyond conventional border and long-distance trade. More extensive overland contiguity or adjacency is conducive to the construction of transport infrastructure for linking more geographical points of trade and economic development. China is geographically endowed and positioned to do so. Favorable geographical conditions, however, are insufficient for enhancing the scale of power through extending its connectivity unless they are activated by domestic economic forces. To fully understand this set of factors inside and outside the Chinese context, we propose a tripartite framework below.

### **Triangulating China's inside and outside**

In the academic and policy scholarship on China's global rise and impact, there is a tendency to emphasize the scale and scope of China's quest for commodities and energy, massive trade, growing outward investment, and extensive infrastructure provision in the Global South (see Cardenal and Araújo, 2013; Economy and Levi, 2014; French, 2014). This prevalent narrative often leads to an inflated view that China's rise will inevitably weakens the Western (US) dominance (Jacques, 2012) in a multipolar world, although others have tempered this view by pointing to the possibility of constraining China's partial global power (Christensen, 2015; Shambaugh, 2013).

To regionalize the discussion and analysis of China's global impact, we need to recontextualize it in the continued discourse and debate about the "Asian Century" that has been alive since the 1980s when Japan instead of China was the rising Asian power. Its nuances aside, the 'Asian Century' debate features a persistent split between two camps representing the

euphoric and alarming sides, with China's rise and its regional impact looming large on both sides. From the cheering side, Mahbubani (2008) attributed the rise of Asia, principally China to their adoption of seven pillars of Western wisdom such as free-market economics, pragmatism and culture of peace. While it is debatable if these are inherently Western wisdom, it reflects a Western-centric way of seeing Asia's rise with China at its center as following or imitating the West (also see Ferguson, 2012). The most recent voice cautioning against the 'Asian Century' is Michael Auslin (2017) who provides a comprehensive account of the economic, military, political and demographic risks that may threaten Asia as a fractured region of stagnation and instability. This debate, often tinged by an outside Western imprint and outrun by dynamic trends, sheds little light on how China exerts new spatially focused impacts across Asia from its distinctive domestic urban development trajectory and outward oriented BRI.

Moving beyond the more conventional debate, Anaya Roy (2016) has turned our analytic gaze toward the set of flows and transactions crossing more intra-Asian boundaries that make the region less geographically bounded in nation states and more in terms of interreferenced urban and regional spaces. In shifting the central research question 'Where is Asia' to 'When is Asia', Roy has opened up a new spatio-temporal vista for analyzing how China, as the economic core and geographical center of a rising Asia, can affect the region's present and future through its spatially ambitious BRI with its long horizon. Taking advantage of this new conceptual place of departure, I follow a small number of recent attempts to trace the stages of China's westward development from its domestic space to its western overland neighbors (Summers, 2016; Yeh and Wharton, 2016). Moreover, I go a step further to offer a broader and more systematic framework for capturing and explaining China's widespread impact in the Global South that can in turn guide a focused comparison of this impact in Southeast Asia vs Central Asia. Figure 1 presents this framework.

### **Figure 1 about here**

In Figure 1, I conceptualize China's impact in the Global South as stemming from and feeding back to three 'master processes' of urbanization, development and globalization. China figures prominently in the literature on each of the three broad topics. The combined scale, speed and pathway of China's urbanization, development and globalization reflect both the conventional and distinctive drivers and outcomes of these processes. While China had a low level of urbanization and development with a high degree of economic closeness until three and a half decades ago, it has moved rapidly through all three processes with inside and outside consequences that translate into an extensive footprint in the Global South. This calls for taking apart each leg of the triangle and then putting them back together.

#### *Steering and feeding urbanization*

China's urbanization has generated a large body of work with a heavy focus on some of the booming megacities like Shanghai and Shenzhen, especially on the massive migration and infrastructure construction (a familiar literature not necessary for review here, see a special issue of *CJRES*, November 2016). What is lacking is a distillation of the most salient features of China's urbanization and of how it has interacted with the world beyond its borders, especially its neighboring countries or regions.

According to an official narrative<sup>5</sup>, China's urbanization has avoided two 'urbanization traps'—the 'overurbanization' in Latin America where urban growth has exceeded economic development, especially job creation in cities, and the 'poverty urbanization' in Africa where cities have not delivered the benefits of modernization to rural migrants who became poorer as

informal settlers after permanently leaving agricultural land. This official policy spin aside, I summarize China's distinctive urbanization as four 'S's'.

*State steering.* Generally speaking, China's urbanization begins and ends with the powerful state driving urbanization with a very 'visible hand'. This perspective sees the state crowding out other forces in shaping the rapid pace and large scale of China's urban transformation. Despite its wide acceptance, the state-centric model of China's urbanization is not one-dimensional and spatially uniform. The state has acted vertically with regard to how the central and municipal government interacted both cooperatively and competitively to drive urban growth. The state has also mattered horizontally in targeting different cities and regions with specific policies. The Chinese state takes on a distinctively *steering* role in using a variety of policies and interventions to guide China's urbanization (Chen, 2014).

The state's steering of urban growth began with the creation of China's first and largest Special Economic Zone (SEZ) in Shenzhen bordering Hong Kong in 1979. Besides the soft steering of providing lower taxes as incentives for Hong Kong investors, a stronger version of steering was the state providing upfront financing for large-scale physical infrastructure to spur and support industrial growth. As this rapid growth later ran into bottlenecks such as the shortage of land and water, as well as environmental degradation, the Shenzhen government tightened restrictions on land approval and elevated environmental standards by banning polluting industries including papermaking and tanning (Chen and de'Medici, 2010).

As Shenzhen took off in the 1980s, the state's steering of urban growth moved north along China's eastern seaboard with the designation of 14 other coastal cities as Open Cities in 1984 and their state financed Economic and Technology Development Zones (ETDZs). The construction of residential towers and shopping malls also began to scale up and spread around the booming coastal cities. With the state steering more resources into inter-city transport

infrastructure, adjacent secondary cities benefited from the positive spillover effects from hubs like Shenzhen and Shanghai, leading to regional economic agglomeration in the Pearl River and Yangtze River Deltas (Chen, 2007).

As the coastal cities raced far ahead of the interior cities, the Chinese state enhanced its steering role in urban growth by prioritizing key western cities as new hubs of accelerated development to stimulate the catch-up of the vast but lagging interior. By designating Chongqing as a central government municipality in 1997, the state gave this megacity greater autonomy and financial support. Chongqing was allowed to lower enterprise tax from 33 to 24%, or even to 15% if these projects were located in the city's ETDZ. The state's steering of urbanization not only has involved both the central and local government across regions but also shifted up and down the administrative structure depending on the strategic importance of given cities.

*Speed and scale.* Given the strong steering role of the state, the fast speed and large scale of China's urbanization is fully expected, and also unprecedented in the Global South. With only 13% of its population being urban around 1950, China was behind India's 17% and comparable to the level of urbanization in some parts of Africa today. With still less than 20% urban around 1980, China has urbanized much faster than India ever since, reaching about 55% urban today relative to India's 35% (Chen, 2014). China also stands out among the Global South in adding a large number of new cities and scaling up already large cities. With approximately 200 cities around 1980, China has over 600 cities today. Cities with one million plus population in China rose from 20 in 1980 to 102 in 2012, whereas the number of million plus cities in fast urbanizing Africa as a whole grew from 17 to about 50 today. Europe as a whole has 35 such cities.<sup>6</sup>

In speeding up urbanization and building large cities, China has created a huge demand for imported commodities and energy, mostly from the Global South. From a country with no private cars to the largest auto market in the world, China has dramatically accelerated its petrol

consumption. With millions of high-rise and lower buildings shooting up in its hundreds of large cities that have to be cooled and heated, China has led energy consumption by the world's cities. In addition, the millions of kilometer of fiber optic cables in China's skyscrapers and factories require a lot of copper from large mines in Chile and Zambia. The evidence is clear that the scale and speed of China's urbanization drive its huge demand for imported commodities and energy (see Figure 1 and Campanella, 2008).

As China feeds its urbanization with imported commodities and energy, it has turned around in extending its mode of infrastructure led urbanization to the Global South, especially Africa. The market share of Chinese companies in Africa's construction sector rose sharply from 9.9% in 2002 to 40.1% in 2011, while the share of US contractors dropped from 24.1% to 6.7% (Huang and Chen, 2016). A new residential town near Luanda, Angola built by China and empty for some time reminds of the many newly built ghost cities and towns in China (Shepherd, 2015). Through multiple cross-national channels, China's urbanization not only has fed on commodities and energy from the Global South but also left its strong imprint on the latter's cities.

### *Connected and transferable development*

If urbanization constitutes a place based source and driver of China's domestic transformation and international influence, the development leg of the triangle stretches China's inside-outside connection. On the surface, China seems to have followed the footsteps of export-oriented industrialization previously pursued by the former East Asian tigers such as South Korea and Taiwan. This strategy made all the sense for China given its then comparative advantages in lower labor and land costs. If we look more closely at China's political institution, territorial and demographic scale and regional diversity, China has traveled a more distinctive path of

development closely tied to its urbanization that has ultimately translated into a centrifugal impact in the Global South.

Relative to the East Asian developmental state, the Chinese state has been more purposeful and interventionist since the outset. While China's first SEZs around 1980 were similar to the Export Processing Zones (EPZs) set up in South Korea and Taiwan during 1965-1970, the Chinese government designed and shaped them with two more ambitious goals and supportive strategies. First, the SEZs were intended to experiment with capitalism and market under a centrally planned socialist economy. The zones were located on China's southeast coast, far away from the political and economic centers, to minimize the spatial spill of potential failure. But they were geographically contiguous and adjacent with Hong Kong and Taiwan, which were willing to move surplus capital and declining factories over the land and sea borders into these zones. The generous tax incentives and bold policy reforms in the SEZs like labor contract singled the state's commitment to make them successful as a longer term model for subsequent development. Second, the Chinese state went much farther than its South Korea and Taiwanese counterparts in building the physical infrastructure needed for much larger scale manufacturing.

The 'first mover' advantages of a few SEZs extended into the follow-up development and prosperity of large coastal cities from the early 1980s into the 1990s. The economic gap between the booming coastal and lagging inland cities grew large. While this was the intended goal of securing quicker and more efficient results from the much better endowed coastal region, it turned out as an unintended consequence of uneven regional development. In response, the Chinese state stepped up its interventionist role around 2000 when it introduced the so-called 'Go West' initiative. It consisted of a set of top-down policies to direct more investment to the interior and to encourage coastal cities to relocate uncompetitive industries to the inland cities.

If the state in late East Asian developing economies needed to be more engaged and interventionist vs. the market (Amsden, 1989; Wade, 1994), the Chinese state has done much more in dealing with serious and complex uneven regional development arising from spatially targeted development in China's diverse economy. The Chinese approach can be characterized as *connected* and *transferable* that has facilitated a staged and coordinated westward movement of financial resources and development activities (see Figure 2). Besides steering coastal cities and firms to shift investment west, the state has built up and out an extensive highway system and high speed train network, both the world's longest, that link the coastal region to the majority of cities in the interior region (zones 1 and 2 in Figure 2). By 2015, China's high speed network consisting of four vertical (north-south) and four horizontal (east-west) trunk routes totaled 19000 kms, 9661 of which carried an average speed of 300 kms/hour. By 2025, the system is projected to expand to eight vertical and eight horizontal trunk routes with more spur lines that will connect all cities of 500000 or more residents and create a 1-4 hour travel radius between all these cities (Xu, 2017).

**Figure 2 about here**

With faster and wider transport connections, investment has moved west also as a result of spatially differentiated factors of production between zone 1 and 2. The average manufacturing wage in China's central and western provinces were only 21% and 25% of the coastal average in 2000, and only went up to 39% and 42% in 2013. This wage differential was a key factor in inducing some coastal manufacturers to relocate to China's inland provinces to take advantage of lower costs and policy concessions. By 2015, the value of domestic investment in five central provinces (in zone 2) was 2.5 times that of foreign investment in China (Ann, 2017). The strong

and multifaceted role of the Chinese state in ameliorating uneven regional development further accentuates the necessity of state intervention in late or lagging development beyond the East Asian developmental state over three decades ago (Clifton et al., 2017). It also serves as a major mechanism for connecting and coordinating infrastructure, jobs, firms and wealth across cities and regions regarding what Dunford and Liu (2017) call uneven and combined development (U&CD).

To ensure that uneven development can be turned into combined and connected development, the Chinese state has used its still strong top-down administrative level in creating special partnerships between wealth coastal cities and poor border cities in the far west. For example, Shenzhen and Shanghai have been directed to provide economic assistance to Kashgar, China's most western city located near Xinjiang's border with Pakistan. The Shenzhen government has granted 10 billion RMB (\$1.5 billion) to build a new campus for the University of Kashgar. Companies from Shanghai have set up factories in Kashgar's Economic and Technological Development Zone designated in 2010. In a most recent and important move of transferable development, the Chinese state elevated an expansive region encompassing the city of Kashgar to a national level SEZ, with the package of special incentives originally granted to Shenzhen and other three SEZs. This designation has raised Kashgar, an ancient city on the Silk Road, to a key city for BRI, granting it the same level of national development priority as the Pearl River Delta, the Yangtze River Delta and the northern megaregion including Beijing, Tianjin and Hebei province. While the spatial extension and transfer of the SEZ model has continued since the 1980s, the special transfer of both financial resources and special policy from China's southeast coast to the far western frontier reflects the significance of 'Going West' and 'Going Out' through BRI as linked manifestations of China's development practice and

discourse (Yeh and Wharton, 2016). It accentuates China's new effort to globalize beyond its western borders (from zone 2 into zones 3 and 4, see Figure 2).

*Driving alternative globalization, regionally*

The spatial intersection between China's urbanization and development moving west represents its new primary approach to globalization, triggered and fueled by the official launch of BRI in 2013. While China's global economic ties have remained strongest and most extensive through its east coast hubs like Hong Kong and Shanghai, its small western border cities have begun to channel a new wave of China-led globalization from powerful domestic sources and places to China's western frontier and far beyond. Building on its legacy of 'neighborhood' or 'periphery' diplomacy (Summers, 2016), China now advances the globally ambitious BRI from and through its "Opening up West" initiative and momentum. This overland inside-out policy has begun to catalyze catch-up development of both sides of China's western borderlands, thus magnifying its overall impact in the Global South including a larger swathe of Eurasia not traditionally categorized with this label.

In assessing China's new and spatially varied impact in the Global South today, we need to acknowledge a long backdrop seeded over six decades ago. At the Bandung Conference in Indonesia in 1955--the first large Asian--African Conference, China, represented by Premier Zhou Enlai, played a prominent role as the discussions by the newly independent nations focused on its tension with the United States, the West in general and other Asian states. That conference was key in defining and pushing forward the Non-Aligned Movement built on the collectively agreed principles of national independence, territorial integrity, and the struggle against colonialism and imperialism. China was actively involved in this movement and later with The

Group of 77 promoting the economic interests of developing nations. In fact, China implemented its ideological affinity with ‘The Third World’ through major aid projects for Asian and African countries. While very poor, the Chinese government offered cumulative aid to Vietnam worthy almost \$20 billion in today’s value through 1976 and built the Tanzania-Zambia Railway at a cost equivalent of \$3.8 billion today during 1970-1975 (Chen and Myers, 2013). This historical precedent lurks behind a more developed China to engage with the Global South today.

Having benefited most as the largest developing economy from globalization, China has become the kind of new economic power better prepared to lead more inclusive globalization. Spanning over 60 countries and 65% of the world’s population including old members and what may be labeled a new region of the Global South like Central Asia, as well as Europe, BRI has a spatially inclusive and diverse coverage. With a projected total outlay of over \$1 trillion, BRI will dwarf the Marshall Plan financially, with no request for military alliances. Key Chinese government agencies driving BRI have dubbed it as leading the new globalization 2.0.<sup>7</sup> According to Liu and Dunford (2017), the most salient feature of the BRI approach to globalization is its inclusivity that differs significantly from the neoliberal version of globalization. It reflects China’s emphasis is on strategic international economic partnerships and multilateral credit to address investment, infrastructure, employment and economic development’ (p. 325), all of which are critical to the Global South.

Partly motivating this official posture is a set of domestic economic concerns including slower growth, continued production overcapacity, consumption trailing investment and increasingly saturated construction market. By 2006 China were in over-production in 10 industries, especially steel, aluminum, cement, oil refining and wind power (Pieterse, 2015). Since 2007 China has lost millions of factory jobs due to the global financial crisis and accelerated automation, creating more surplus labor that can no longer absorbed back in the

countryside. During 2014-2016, China had to reduce steel production amounting to 120% of the global total and leading to a loss of 201000 steel workers in 2016 alone.<sup>8</sup> These pressures, some of which structural in economic imbalance and others contingent like the financial crisis (Pieterse, 2015), have reinforced the powerful push of ‘Go West’ to open up new investment outlets, trade channels and construction projects. Of all the domestic drivers, China’s construction experience and expertise accumulated from building numerous roads and bridges and some extraordinary mega-projects like the Qinghai-Tibet high speed train have turned infrastructure into a main focus and strength of China-led globalization into neighboring Asia.

### **A pair of case studies**

How do we find empirical evidence to interrogate the thesis that China now drives an alternative globalization that originates from deep domestic sources and traverses and influences its western borderlands? Following the relational logic crossing from Figure 1 to 2, I have identified the Southeast Asian and Central Asian subregions (highlighted in Figure 2) as empirical cases for a parallel analysis as opposed to a head-to-head comparison. As the guiding rationale for this approach, this pair of cases, in both similar and different ways, can help us to understand how China has realigned the inside and outside of the relationship among its urbanization, development and globalization (Figure 1). More specifically, the two cases will illustrate how China, through spatially connected domestic and cross-border zones, is capable of catalyzing catch-up regional development in its remote regions, near abroad and farther beyond (Figure 2)..

### **The China-Southeast Asia border region and beyond**

In the first case study, I trace the policy and factor mobility from China's coastal region to its border region with mainland Southeast Asia (bolded box in row 3, Figure 2). This analysis starts with an acknowledgment that border cities and regions, which were once remote and underdeveloped spaces, have picked up both the speed and scope of urban development. Small and isolated cities and towns have sprung out from once politically trivial and economically marginal landscapes (Chen, 2005). This process has benefited from targeted state policies, more open borders and improved connectivity of transport networks, especially in China.

Yunnan province in southwestern China, especially its capital city of Kunming and cities on the border with Myanmar and Laos have benefited considerably from the fortune moving their way. While Yunnan had important historical trade outposts as a key segment of the Silk Road's southwestern route, the current composition as a province stagnated from the Cultural Revolution (1966-1976) through the 1980s and fell much behind the coastal region. The 1990s saw a partial return of Yunnan's border trade. The onset of the 2000s brought about China's 'Go West' campaign, which unleashed new opportunities for Yunnan to leverage its favorable border location for catch-up development. On 6 May, 2011, the central government issued, 'Supporting the Accelerated Construction of Yunnan as the Important Outpost for the Southwest Region', which tasked the capital city of Kunming to become the international hub and 'bridgehead' for China's economic cooperation with Southeast Asia. In May 2012, the Yunnan government approved the establishment of six border economic cooperation zones. This provincial initiative augmented the central government's approval of opening border economic cooperation zones in the cities of Ruili and Wanding bordering Myanmar. Playing off as the regional base for the historical 'southwest Silk Road', Yunnan has rebuilt the old connections to Southeast Asia through its newly revived border cities.

Ruili has been the key city for stimulating lagged economic development within and across the border region. Its Jiegao Border Economic Development Zone set up in 1991 promoted border trade with the small city of Muse on the Myanmar side. Ruili has really taken off since August 2013 when the Master Plan of the Ruili Experimental Zone was approved by the central government. It included 238 new projects for boosting Ruili as a gathering place and gateway for economic flows with the neighboring Southeast Asian economies. Accelerated development has transforming this once sleepy border town with a very small population into a lively city of over 160000 people today (Chen and Stone, 2017).

This growth momentum has been met and matched, albeit to a lesser degree, by Muse, which created a 150-hectare border trade zone. Since April 2006, Myanmar merchants can freely export goods from across the country to Muse and secure export licenses on the spot within one day after a formal sales contract is confirmed with Chinese buyers. Furthermore, Myanmar upgraded the 460-km-long road that connects the border town to Mandalay, its second largest city in the central region. This upgrade not only reduced the travel time from up to a week to 12-16 hours but also made the longer journey from Muse to Myanmar's capital Yangon in the south more convenient. Now Myanmar traders operating in the space between Muse and Ruili can board a long distance bus to Yangon in 24 hours. Although the road conditions between Muse and Mandalay (and Yangon) are not as good as between Ruili and Kunming, the improvement has elevated Muse as a major hub for cross-border trade.

Ruili looms large in Yunnan's regional role in China's trade with Myanmar. Over 80% of Myanmar's exports to China and 40% of its imports from China come across Yunnan's border (Singh, 2016). Ruili accounts for the largest share of this trade, while Muse is Myanmar's busiest among its 15 border trading stations facing China, Thailand, Bangladesh and Laos. As of mid-November 2015, Myanmar's border trade at Muse rose to \$3.36 billion from \$2.95 billion in

2014.<sup>9</sup> Border trade between Ruili and Muse is most intensive at the vibrant jade market spanning their boundary. This is where Myanmar jade trader Soe Paing sells raw jade. His family has been in the jade trade for generations. While examining various pieces of raw jade in his shop-office, he said, ‘Chinese people didn’t just start to like jade. They have always liked jade and used it for thousands of years’ He went on, ‘Our business depends mainly on China though since other countries are not as fond of jade as the Chinese’.<sup>10</sup>

Beyond the more conventional cross-border trade, the city of Ruili has become the through point for a gas and oil pipeline that China has built from the port city of Kyaukphyu on Myanmar’s west coast to Kunming (see Figure 3). The gas pipeline became operational in 2013 and carried 2.86 million tons of gas in 2016, accounting for about 5% of China’s total imports. The oil pipeline, which was completed in 2014, opened in 2017 after a long delay and the Myanmar government had agreed to lower transit fees. The 771-km pipeline is designed to carry 22 million tons of crude a year (about 442000 barrels a day) for the Kunming based refinery that can process 13 million tons annually.<sup>11</sup> This new pipeline allows China to move crude oil from the Middle East overland and faster instead of through the slower and potentially risky narrow Straits of Malacca. More relevant to our framework (Figures 1 and 2), the pipeline provides a new and added source and route of energy supply for accelerated urbanization and development in southwestern China.

### **Figures 3 and 4 about here**

The smaller and less developed cities on the China-Laos border may catch up to Ruili once an ambitious cross-border China-Laos Railway is built (Figure 4), preceded and prepared by enhanced transport development inside Yunnan. Under an infrastructure plan priced at over \$10

billion, a rail line from Kunming to the Mohan border crossing is under construction. Moreover, Yunnan's train connections to the border have been strengthened by the new high speed train from Shanghai to Kunming. Since becoming operational in December 2016, this line has cut the 40 hour trip before to less than 10 hours now over 2300 km. It forms a new and vital link from zone 1 to zone 2, further integrating the dominant coastal megacity of Shanghai and the rapidly growing regional hub of Kunming that has become the 'bridgehead' for China's economic engagement with Southeast Asia.

While the China-Laos Railway was conceived in 2010, the official agreement was not signed until November 2015 and ground for construction broken in Vientiane in December 2015. After formal construction was delayed without the completion of an environmental impact study, the line is now scheduled to be completed by the end of 2021. The line starts in Kunming and travel southward to the Chinese border city of Mohan until entering Laos through the city of Boten. It then travels past Vang Vieng and Luang Prabang before arriving in Vientiane. The Lao government expects roughly four million Lao passengers a year to use the 414-km railway at first, 6.1 million passengers in the mid-term and 8.1 million passengers in the long run. According to a Lao deputy prime minister, a total of nearly 10 million passengers from China and five other ASEAN countries are expected to use the railway annually, rising to 11.9 million passengers per year in the mid-term and 16.5 million in the long term.<sup>12</sup> China envisions this railway to extend from Vientiane to the Thai cities of Nong Khai and Bangkok (Figure 4), and then all the way to Singapore via Malaysia and feed into the Trans-Asian Railway linking to Europe.

Given the project cost of \$6 billion relative to Laos' annual GDP of \$12 billion, Laos has managed to secure a low-interest 20-year loan of \$800 million from China's Export-Import Bank and will form a joint venture with China to borrow a lot more to cover the rest of the cost.<sup>13</sup> An

optimistic Lao official believes that Laos will be able to pay the loan back within five years by selling to China from the five potash mines yet to be excavated. But given the loan's size relative to Laos' small GDP, pessimistic government officials worry that the risk of financial crisis and high debt will plague Laos after the project is completed.<sup>14</sup> The International Monetary Fund warned in 2017 that Laos' reserves stood at two months of prospective imports of goods and services. It also expressed concerns that public debt could rise to around 70% of the economy.<sup>15</sup>

It is too early to know if this project will pay off for both sides. For landlocked Laos, the railway makes sense for connecting to outside markets, especially if the planned industrial zone near Vientiane's terminal can stimulate manufactured exports and if millions of high spending Chinese tourists will cross the border on the train. However, a feasibility study by a Chinese company said the railway would lose money for the first 11 years. In the meantime, some Lao farmers are denied sufficient government compensation for giving up their land to the railway. In contrast, China has brought nearly everything including construction materials and equipment to the Laos project.. At the peak of construction, there will be an estimated 100000 Chinese workers.<sup>16</sup> Thus far, China has already benefited from this mega-project by putting its surplus construction material and workforce to use. In the long run, China is expected to gain more from better overland access to Southeast Asia. This project represents one episode of an unequal China-Asia economic partnership (Holslag, 2015).

### **From the China-Central Asia border region to Europe and back**

China's 'Go West' initiative favoring the vast interior region has produced a second case of connected and transferable development creating border intensive change and broader international connections and ramifications (the bolded box in row 1, Figure 2). It requires a

tracing analysis of similar energy and infrastructure connections but through more linked places over larger territories and longer distances. Of China's western regions targeted for catch-up development, Xinjiang was less favorably positioned than Yunnan. In spite of its vast size, one-sixth of China's landmass, Xinjiang has only 23 million people, less than the city of Shanghai. While rich in natural resources like oil and agricultural commodities like fruits, Xinjiang lacks transport infrastructure and manufacturing capacity. Although Xinjiang's large population of minority groups is similar to Yunnan, its dominant Uyghur group (46% of Xinjiang's total population), with its historical and religious (Islamic) connections abroad, has been seen by the Chinese government as a potentially unstable element that should be controlled through assimilation and integration. Since the 1950s the central government has relocated large numbers of decommissioned military personnel and civilians from other provinces, especially from coastal cities to Xinjiang to set up and sustain many quasi-military collective farms in order to stabilize its horticultural and livestock economy and border areas, with limited state subsidized industrialization. This politically motivated policy kept Xinjiang's development away from more efficient pathways and in a relatively slow and stagnated rut through the beginning years of the 21<sup>st</sup> century.

Despite being further west than Yunnan and most west in China, Xinjiang has received a larger infusion of the westward shift of investment and development over the last decade, with considerable more momentum. So much of this has been riding on BRI, which has provided an external boost to the earlier domestically oriented 'Go West' initiative. Similar to Ruili, Xinjiang's border region with land ports have benefited the most, grown the fastest, and spilled out the most influence over the borderline and farther away. The original border pass-- now the city of Horgos--has risen as the 'Ruili of Xinjiang' over a few short years, but with a much greater ambition and significance.

Horgos was the oldest land port on China's western frontier along the Silk Road and opened as a customs checkpoint in 1881. Fast forward to 1983 when Horgos bordering Kazakhstan became one of China's earliest and most open land ports for foreign trade with the good basic infrastructure and convenient custom clearance procedure in China's western regions. However, Horgos fell much behind the booming cities on China's southeast coast in the 1980s and also Yunnan's border cities from the 1990s to the early 2000s. Fortune turned to Horgos in 2006 when China and Kazakhstan agreed to establish the China-Kazakhstan International Border Cooperation Center, as China's very first border cooperation zone of its kind. Split into 3.43 sq kms for China and 1.85 sq kms for Kazakhstan, this enclosed zone straddling the China-Kazakhstan borderline offers shared infrastructure facilities and linked duty free shopping. In 2014 Horgos was elevated to the status of a county level city covering a total of 1908 sq kms that also includes the large farming areas owned by two quasi-military regiments. While Horgos' bounded territory (around 2000 sq kms) is almost as large as that of the megacity of Shenzhen, it has only a permanent population of 86500 and thus a lot of open land for new development.

Its current small population aside, Horgos has begun to play a disproportionately large role as the most important transport hub along China's western border due to its highly favorable location and rapidly developing infrastructure connectivity. Situated toward the central point of the Eurasian region and as the central station along the Eurasian Land Bridge, Horgos offers a wide access to Central Asia, West Asia and Europe to the west and to China's huge domestic market to the east. The Central Asia-China gas pipeline, which originates from Turkmenistan and traverses Uzbekistan and Kazakhstan, crosses at Horgos into Xinjiang. It transported 18.4 billion cubic meters (bcm) of natural gas during the first two years of starting to supply gas in 2009. It connects to China's second west-east gas pipelines from Horgos and stretches 8704 km to Hong Kong. In the reverse direction, the train from China's end of the Eurasian Land Bridge

(the coastal city of Lianyungang) through Horgos and Central Asia to Rotterdam ships 22 million tons of goods annually. From the Horgos bonded trade zone, trucks from Kazakhstan clear customs in a few minutes and deliver Xinjiang's fresh fruits to Almaty's street markets and dining tables in less than 24 hours, as opposed to the old days when it would take over a week beating the purpose of fresh fruit trade.

Further north from Horgos is another land port (Alataw Pass) and now the city of Alashankou. With only a small train station in this remote mountainous corner of China until 1990 when the China-Soviet cross-border railway was completed, Alanshankou began to grow the transit train cargo but remained highly underdeveloped locally and insignificant for China's global economic weight. The place's fortune turned in 2011 when the first China-Europe freight train from Chongqing passed through its border gate and then Central Asia on its way to Duisburg, Germany. Like Horgos, Alashankou was upgraded to a county level city in 2012. Since the announcement of BRI in 2013, Alanshankou has become another key border hub as the transit point for most of the China-Europe cargo trains. This overland train route has different comparative advantages over either air or sea shipping. According to an international logistics expert,<sup>17</sup> rail takes between 23 and 25 days (more hours added than shown in Table 1 due to first and last mile trucking), ocean 50-55 days and air freight around 10 days. In terms of price, rail service charges \$4,000 for a 40-foot container (FEU, each carrying 9600 kg of content), compared with \$3,000 by sea and \$37,000 by air. Rail is much cheaper than air, while ocean is cheaper still but it takes too long. For many time sensitive supply chains today like handsets and laptops (made by HP in Chongqing for Europe), cutting a few days off shipping reduces stock in transit and thus saves much money (Figure 5).<sup>18</sup>

**Table 1 and Figure 5 about here**

The China-Europe Railway has created a new channel for more Chinese cities to trade with Europe. There are now 52 routes established between 32 Chinese cities and 32 cities in 12 European countries including lines going through northern China, Mongolia and Russia to Europe (see Table 1). Alashankou saw 3800 trains pass through and accounted for 76% of the approximately 5000 trains as of September 2017.<sup>19</sup> Similar to Ruili and Horgos as energy supply relay points, Alashankou is where the Kazakhstan-China oil pipeline passes through. Costing \$700 million to lay and running 988 km from Atasu in Kazakhstan to Alashankou, the pipeline was completed in 2005 and began operating in May 2006. While its designed capacity was to ship one million barrels of crude oil per day or 10 million tons of crude oil per year into western China, the line has been carrying up to 20 million tons per year (Fazilov and Chen, 2013).

As this second case illustrates, the mode and spatial shift of urbanization and development in China have produced a longer and more complex chain of energy and infrastructure links from zone 1 to zone 4 (Figure 2) and back. Despite the huge distance between China's coast and western land border, the strong state has steered and transferred the early model of Shenzhen SEZ all the way to Ruili and Horgos by building them up as newly favored areas for catch-up urbanization and development. This transferable development has only been accelerated by massive investment in highways and railways to connect coastal, interior and border cities. Although these key border cities remain relatively small, certainly by China's urban scale, they have quickly been turned into gateways for extending China's economic connections and influence into Central Asia and further to Europe. In return, they receive and relay new flows of energy and traded goods such as German cars, French wine and Spanish olive oil from zone 4 via Central Asia (zone 3) for prospering megacities like Chongqing and Chengdu in southwestern China (zone 2 in Figure 2).

Yet like the China-Southeast Asia case, challenges face China-Central Asia connections. On the Chinese side, the infrastructure provision in Horgos or Alashankou has far outpaced the shortage of local human capital, forcing Xinjiang government to offer high salaries and housing subsidies to lure talents from interior provinces. Externally, the weaker commitment and fewer resources in Central Asia for cross-border cooperation has created asymmetrical power relations. Given the inability of the Kazakh government to fully build up the commercial and logistic facilities in its smaller segment of the border cooperation zone, a Chinese company has stepped over to build it, thus creating a greater power leverage for China over Kazakhstan.<sup>20</sup>

## **Conclusion**

In conceptualizing China's domestic transformation and global rise through a triangular lens anchored to urbanization, development and globalization, we begin to see how China has made a big difference to the drivers, mechanisms and outcomes of these three 'master' processes. The Chinese experience presses us to trace the manifestation of its development and globalization deeply into how China's cities have been (re)built. It also clarifies how the undesirable consequences of dramatic urbanization, especially economic imbalance and regional inequality are being mediated by a strong state's connected and transferable development policies. Motivated by its spatially phased urbanization and development, China has adopted an alternative and ambitious approach to globalization through BRI that privileges intra- and inter-regional infrastructure within and across borders for facilitating peripheral urbanization, catch-up development and more inclusive globalization.

I argue that China's urbanization is the deepest source and strongest driver of its westward development and outward globalization, as well as their mutual reinforcement. As the high speed and large scale of urbanization triggered by the SEZs led to the boom of coastal cities and thus

regional inequality, the state stepped up its steering role in accelerating and scaling up interior urbanization and extending the largely successful model of SEZs to western border cities. This policy has led to somewhat lagging but not permanently delayed ‘peripheral urbanization’ by upgrading long neglected small border cities. While they are incomparable to coastal cities like Shenzhen and Shanghai, their importance can no longer be measured only in size and functional strength. They have become critical for transmitting China’s domestic development impulses out to the underdeveloped border cities and regions of neighboring countries. In other words, the latent strength of once vibrant Silk Road cities like Kashgar and Horgos has been activated and updated to suit the needs of BRI. The faster growth and larger role of these cities are directing our analytical attention from the financial hubs at the top of the global urban hierarchy to the understudied small and border cities at its bottom. It also lends some credence to the notion of ‘planetary urbanization’ reaching remote places and blurring traditional boundaries (Brenner, 2014). To the extent that this qualifies as China urbanizing from the Global South to influence other Global South cities, it can make these ‘ordinary cities’ (Robinson, 2006) ‘special’ in their new development trajectory. With the potential to spur growth of near-abroad cities like Luang Prabang on the China-Laos Railway and of Central Asian cities along the China-Europe Railway, China’s border cities such as Ruili and Horgos can play a long-term role in producing more connected spatial economies and reducing within and between country inequalities that make up the postcolonial geography of a rising Asia (Asian Development Bank, 2011; Raghuram et al, 2014).

From the development vantage point of the triangular framework (Figure 1), the two cases renew our understanding of the local, national and global dimensions of development relative to urbanization and globalization. We tend to see China as having pursued export oriented industrialization led by a stronger version of the East Asian developmental state.. As many

Chinese cities, especially those with factory dominant industrial zones on the coast prospered from their manufactured exports, their development has been sustained by rich revenues from land sales for both industrial use and increasingly real estate construction. Of the total local revenues in 2016, land sales and transfers fees accounted for almost 60%. As urbanization fueled development has produced serious regional inequality, the state has addressed it aggressively through what I call connected and transferable development policies, leveraging the much more spacious and cheaper land resources in the west. Building transport infrastructure to connect to smaller and the less developed cities in the west has more room and cushion for China to rebalance its national economy by reducing the concentration of wealth and production in its eastern cities. In addition, small border cities like Ruili and Horgos would not have developed as fast without receiving the transfer of the SEZ policy and practice from the coast. Despite this policy mobility, over-investment fueled by BRI without regard for different local and regional conditions has led to underutilized infrastructure and even entire new ‘ghost cities’ like the New City outside Lanzhou (Shepard, 2015), the capital city of Gansu province bordering Xinjiang. Globally, China’s rapid urbanization has translated into some kind of development opportunity for certain Global South countries through the latter’s large exports of commodities and energy. This development benefit however is unstable as China’s slower urbanization and development in recent years has already dampened the growth of the Global South’s export of commodities and energy. Due to the contraction of its construction market, China, which accounts for half of the global production of steel and cement, tries to export its surplus steel and cement as part of its push to build more infrastructure in the Global South, and thus may suppress the latter’s commodity prices further. In its infrastructure-led globalization under BRI, China also brings larger numbers of its own construction workers to overseas mega-projects like the China-Laos Railway who interact little with from local communities due to language and cultural barriers.

This has contributed to isolated riots in parts of Central Asia where Chinese workers in Kyrgyzstan were attacked for having more privileged working conditions over domestic workers. If China continues to create little local employment for large overseas infrastructure projects, it will fall short of securing the full potential positive local impact of these projects in their hosting Global South countries and cities.

Finally, as China's urbanization and development have become more externally connected, they have reshaped the current phase of globalization through an unconventional combination of strategic means and spatial fixes. It reflects the coupling of scale and connectivity of China's global economic power that originates from deep inside its domestic economic restructuring and extends far out in an uneven manner. China is pioneering infrastructure-oriented globalization on a historically unprecedented scale in the Global South. While China is expected to globalize by relocating its labor intensive manufacturing to the cheaper locations in the Global South, it has gone further in 'exporting' its civil engineering and construction expertise and experience in building up roads, bridges and power stations across much of the Global South. China's crucial role in building infrastructure beyond its borders is timely significant in light of the global infrastructure gaps. According to McKinsey Global Institute (2016), the world needs to invest about 3.8% of GDP or an average of \$3.3 trillion to support economic growth, with 60% of this need coming from the Global South; yet the world invests only \$2.5 trillion a year today, creating a huge gap of \$0.8 trillion, or \$350 billion a year. Having invested 8-9% of its GDP in infrastructure at home and abroad, China is capable of meeting a disproportionate part of the global infrastructure gap, which renders infrastructure a hallmark of its brand of globalization and complicates the more conventional view of China as an export-driven manufacturing power.

While expecting the more expansive and connected cross-border transport infrastructure to stimulate quick manufacturing as at home, China's launch of many cargo trains to Europe

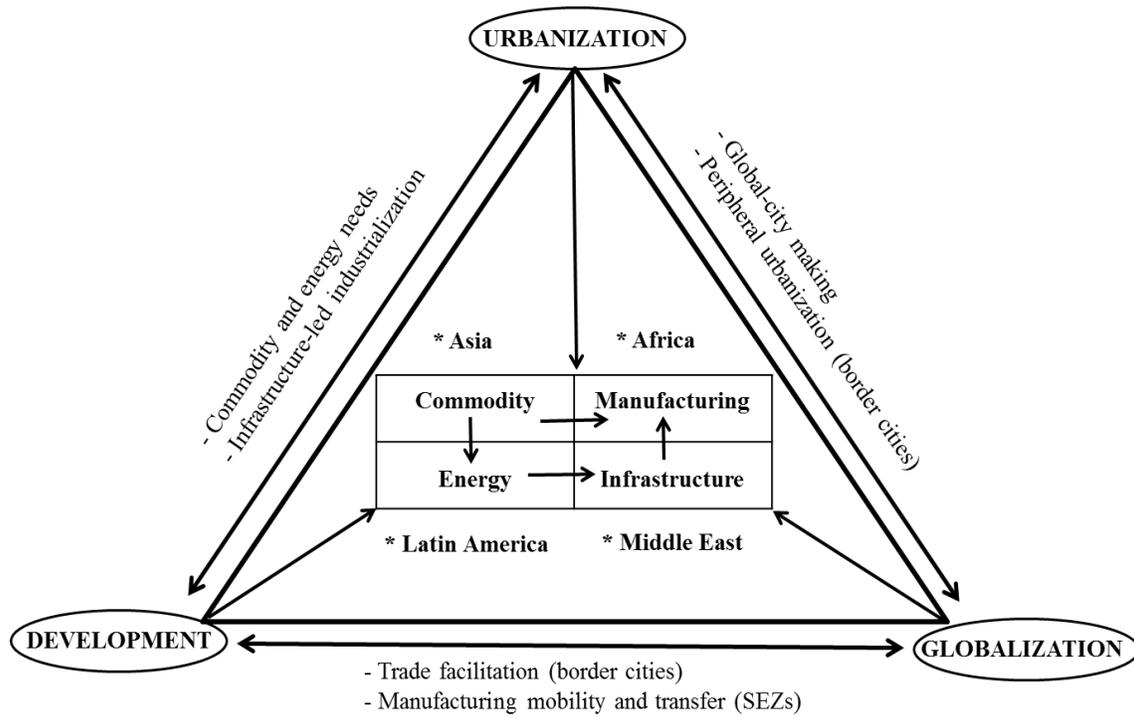
through Central Asia may sustain its declining manufacturing bases in its coastal and central regions while generating more domestic consumption by importing more European goods. By building and extending infrastructure to and through its far western region, China expects the feedback benefits of sustaining its main domestic manufacturing bases and rebalancing the entire economy to consumption, especially in the interior. China's priority for multiplying cross-border transport connections to the west has also elicited reciprocal moves from Central Asia as Uzbekistan and Kyrgyzstan have recently agreed to build a new road from Andijan through the border city of Irkeshtam to Kashgar in Xinjiang. (Kashgar is the Chinese end of the ambitious China-Pakistan Economic Corridor (CPEC), a critical cog of the BRI wheel.) This will create the shortest route for Uzbekistan to export organic vegetables and fruits to the large China market. China's growing cross-border ties with Central Asia, and through the latter, with Europe is re-centering Eurasia as a geopolitically and now geoeconomically significant region of the world.

As globalization is heading into perhaps a crisis phase, which is debated in this special issue of *CJRES*, I have presented China as a new power spreading footprints and creating some urbanization and development opportunities in the Global South in a way that may refashion the course of globalization. China's strong influence in the Global South has grown from the co-evolution of its domestic urbanization and development. This inside-out process is capable of positioning China as a different kind of globalizer vs. the Global South. By combining an analysis of two cases through the framework (Figure 1) and its associated scheme of connected domestic and cross-border regional development (Figure 2), I have revealed some hidden and missed intersections and interdependencies between China's domestic economic and spatial restructuring and distinctive approach to globalization using infrastructure as the main driver to 'Go West' in order to go further west via BRI. This process has opened a new research vision and focus onto small but rapidly growing Chinese border cities and similar near-abroad cities that

will become more important for understanding the shifting spaces of globalization and thus deserve our fresh attention.

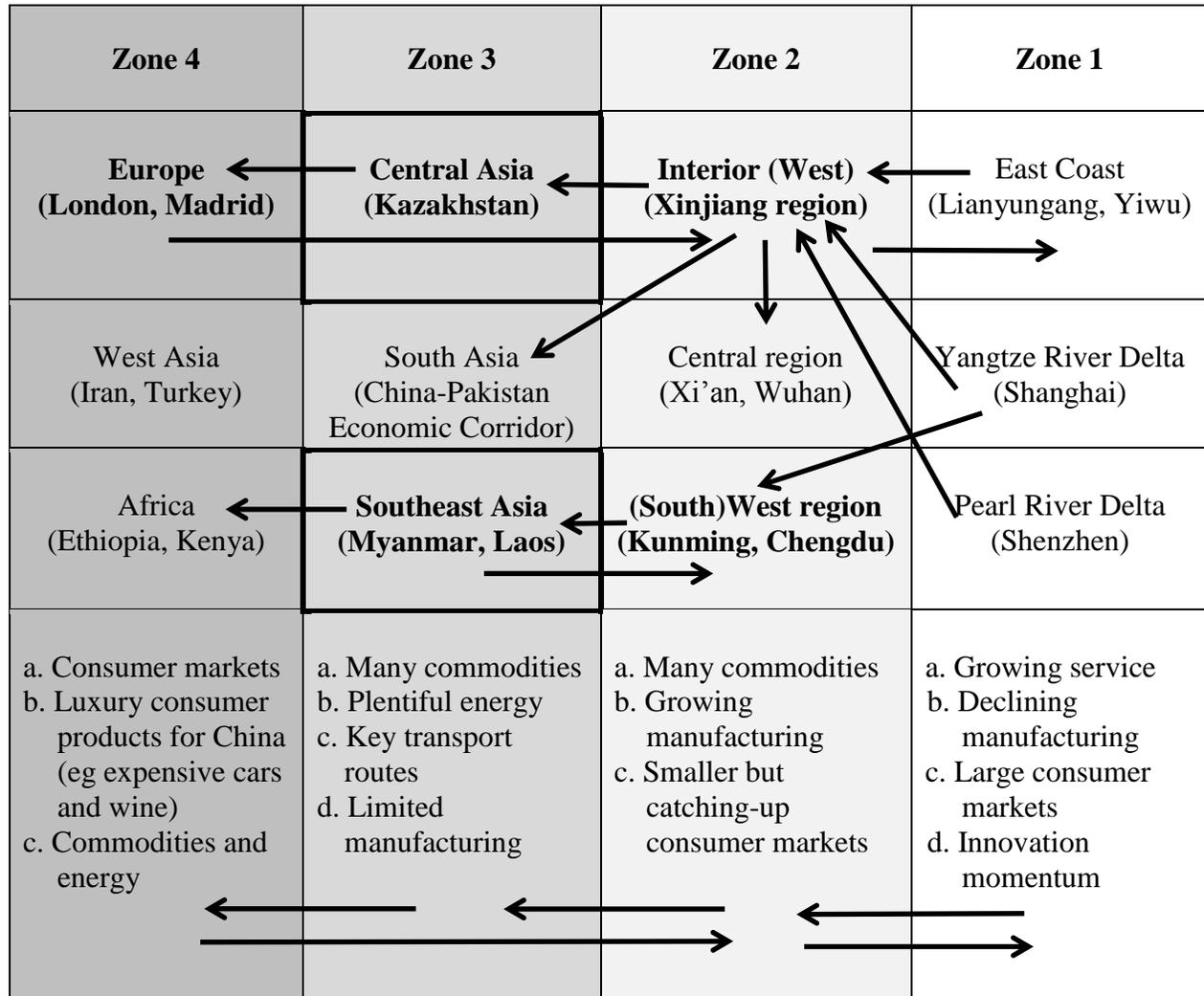
China-led globalization, promising and significant as it may be, suffers from both internal and external constraints. Huge investment in building large-scale infrastructure in the Global South has contributed to China's debt rising to 300% of its GDP. From the Global South, for example, the inability of the Sri Lankan government to meet the interest payment on an official \$8 billion loan from China for constructing Hambantota Port, a key link of BRI, has recently allowed the partially state owned China Merchants Ports Holdings to get a controlling stake in this port.<sup>21</sup> While the debt burden may force China to take fewer risks and slow down its infrastructure-driven global strategy, the limited financial ability to service debts on projects like the China-Laos Railway can translate into a broader concern among the Global South about becoming dependent on China. It is up to China to temper its global economic power with a more responsible and equitable approach if it can live up to its professed goal and leading role in fostering South-South cooperation.

**Figure 1.** *China's triangular influence in the Global South*



*Source:* Conceived and drawn by author.

**Figure 2.** *China's connected and transferable westward development (domestic inter-regional to cross-border regional movement)*

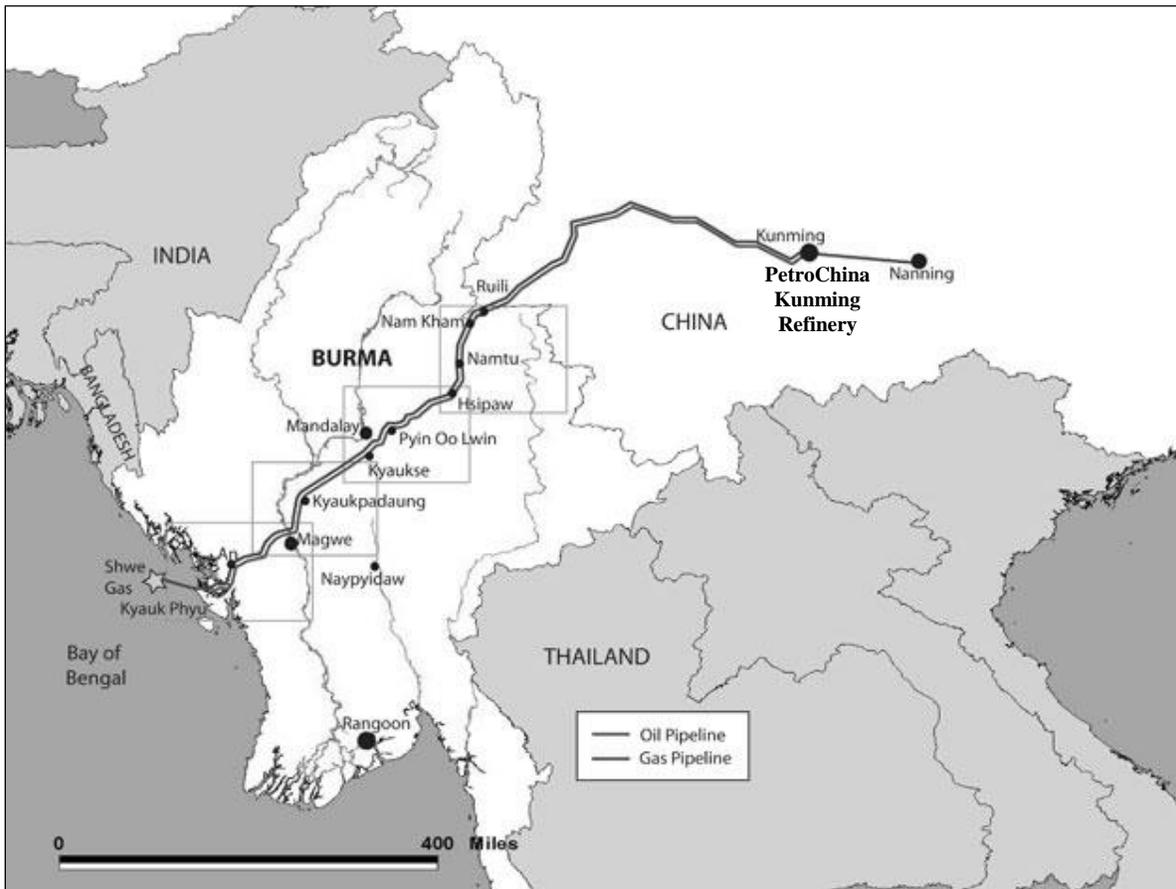


Source: Conceived and drawn by author.

Notes:

1. Zones 1 and 2 split China's long coastal and expansive inland regions, while Zones 3 and 4 make up vast transborder spaces in geographical scope and distance.
2. Zone 3 comprises the subregions of Asia that border China's west and southwest by land. It adds up to a massive crescent encompassing a number of China's western and southwestern borderlands off Yunnan and Xinjiang.
3. Zone 4 forms the western end of China's Belt and Road Initiative (BRI) including the terminuses and transit points of a growing number of China-Europe freight trains through Central Asia and bound for the latter and its neighbors to the west and south.
4. The four zones are intended to denote the connected and sequential extension of China's economic and infrastructure connections from its east coast to its vast interior and far west under the 'Go West' policies since 2000, and then further west into Central Asia, onto Europe and back with BRI since 2013.

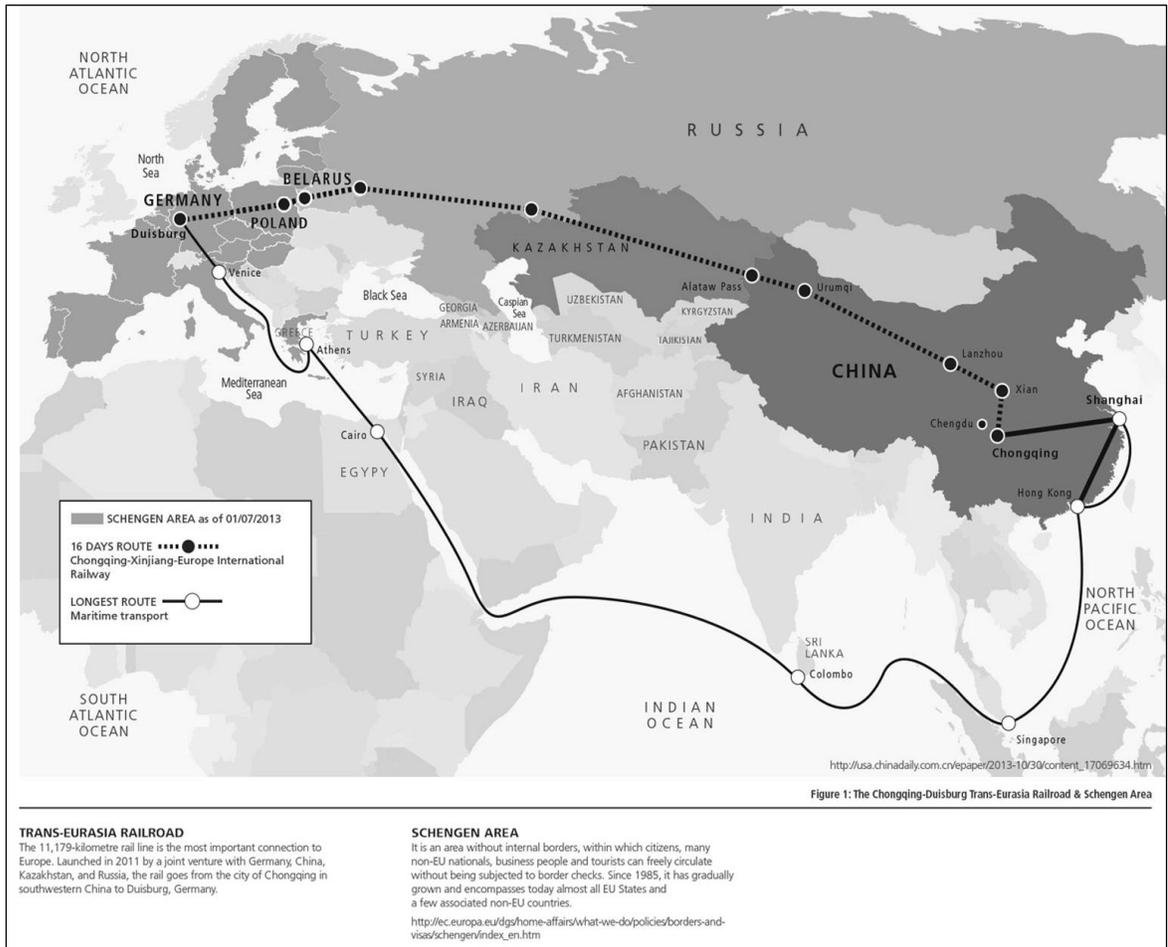
**Figure 3.** *The cross-border China-Myanmar oil and gas pipeline: from Kyaukpyu to Kunming through Ruili*



**Figure 4.** *The planned route of the cross-border China-Laos railway*



**Figure 5.** *The main China-Europe freight train route through Central Asia*



*Source: Chen and Mardeusz (2015: 6-7).*

**Table 1.** *Trans-continental rail routes between China and Europe through Central Asia*

<b>Line</b>	<b>Departing City</b>	<b>Destination City</b>	<b>Launch Date</b>	<b>Distance</b>	<b>Travel Time</b>	<b>Main Cargo</b>
1. Chongqing-Duisburg	Chongqing, China	Duisburg, Germany	19 March, 2011	11000 kilometers	15 days	IT products (i.e. laptops)
2. Chengdu-Lodz	Chengdu, China	Lodz, Poland	26 April, 2013	9965 kilometers	14 days	IT products
3. Zhengzhou-Hamburg	Zhengzhou, China	Hamburg, Germany	18 July, 2013	10245 kilometers	15 days	Consumer products (e.g. clothing)
4. Suzhou-Warsaw	Suzhou, China	Warsaw, Poland	29 Sept, 2013	11200 kilometers	15 days	IT products (from near Shanghai)
5. Wuhan-The Czech Republic and Poland	Wuhan, China	Czech and Polish cities	24 Oct, 2012	10700 kilometers	15 days	Consumer electronics (from central China)
6. Changsha-Duisburg	Changsha, China	Duisburg, Germany	30 Oct, 2012	11808 kilometers	18 days	--
7. Yiwu-Madrid	Yiwu, China	Madrid, Spain	18 Nov, 2014	13052 kilometers	21 days	Small merchandise
8. Harbin-Moscow	Harbin, China	Moscow, Russia	--	6578 kilometers	--	Products from northeastern China
9. Harbin-Hamburg	Harbin, China	Hamburg, Germany	--	9820 kilometers	--	Products from northeastern China
10. Xining-Antwerp	Xining, China	Antwerp, Belgium	--	--	12 days	Local products from western China (Tibet)
11. Guangzhou-Moscow	Guangzhou, China	Moscow, Russia	--	11500 kilometers	--	Consumer electronics (from southern China)

*Source:* Tabulated from information compiled by Professor Yina Zhang, Fudan University, Shanghai.

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## Endnotes

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- <sup>2</sup> Estimates by Angus Maddison, University of Groningen, and the World Bank.
- <sup>3</sup> World Bank data, trade as % of GDP at <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>, accessed on 2 September, 2017.
- <sup>4</sup> Same as 1 above.
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- <sup>6</sup> Data from the World Resources Institute reported on <http://www.bbc.co.uk/news/world-asia-china-20069627>.
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- <sup>13</sup> Same as 7.
- <sup>14</sup> Same as 11.
- <sup>15</sup> Same as 7.
- <sup>16</sup> Same as 7.
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