The Silk Road:
Political Economy of Trade Routes

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Outline of the lecture

• The silk road: a brief history
• Political conditions for international trade
• Rise and fall of trading polities
• ‘Belt and Road Initiative’ in the 21 century
• Old analogies, new implications
The Silk Roads: A Brief History

• The term: origin and connotation
  • ‘Silk road(s)’ was first used by German traveler and geographer, Ferdinand F. von Richthofen in the late 19th century
  • Referring to the ancient trading routes between East Asia and the Mediterranean that connected Han China and the Roman world and spanned across the Eurasian continent

• Major goods being traded through the silk roads
  • Silk
  • Domesticated horse
  • Porcelain
  • Gunpowder
  • Spice
The Silk Roads: A Brief History
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• The classical silk roads (3c BCE–3c CE)
  • Zhang Qian sent by Han China (206 BCE–220 CE) on a mission to Central Asia in 138 BCE
    • Greatly expanded China’s knowledge of Central Asia
    • Subsequent Chinese missions facilitated the growth of international trade along the silk roads.
  • The Kushan empire (1–3c CE) established itself in the northern Indian subcontinents, Afghanistan, and parts of Central Asia
    • Issued coins for commercial exchange
    • Prospered through trade, particularly with Rome
    • Played a key part in the spread of Buddhism to China
The Silk Roads: A Brief History

• The decline of Rome and Han (3~5c CE)
  • Despite the decline of West Roman Empire and Han China, political rulings remained solid in Byzantium, Persia and Northern Wei (386-534)
  • The Hephthalites, who then ruled Central Asia, contracted Soghdian merchants to bring silk and other luxuries back and forth to Persia
  • With the further spread of Buddhism, cave temples and massive Buddha began to appear in China
The Silk Roads: A Brief History

• Medieval cosmopolitanism (6~10c CE)
  • The rise of Turk rules in Central Asia maintained the link between the Tang dynasty in China (618-907) with Persia and Byzantium
  • With Persian merchants’ close involvement, Persian became the lingua franca of silk road commerce and communication
  • The rise of Arabs in the 7c and their conquest of the Mediterranean and Persian territories brought Islam along the silk road
  • The Battle of Talas (fought between Tang and Abbasid in 751), probably led to the introduction of papermaking to the Middle East and Europe
The Silk Roads: A Brief History

• The Mongol empire (13~14c)
  • Genghis Khan and his descendants conquered China, Tibet, Iran, Iraq, Central Asia, Eastern Europe, and much of Russia, creating an unprecedented Eurasia empire in the 13c
  • Under closely linked/shared administrative, legal, taxation, and financial institutions, trade routes inside the Mongol domain enjoyed relative stability and security
  • Explorer Marco Polo became one of the first Europeans to travel the Silk Road to China
The Silk Roads: A Brief History

• Centering the maritime silk road (15~19c)
  • The Ming dynasty sent Zheng He to explore the sea (1405-33)
  • Three gunpowder empires of the Safavid dynasty (1501–1722) in Iran, the Mughal Empire (1526-1757) in India, and the Ottoman Empire (1299–1922), controlled the overland silk road after the Mongols
  • The European discovery of new maritime trade routes and their subsequent expansion to East Asia from the 16c
Political Conditions for International Trade

• Political stability along the trade routes is essential
• Relatively a small number of centralized political authorities facilitated international trade
• Nomadic polities in Central Asia contributed to the long distance exchange along the silk road
Rise and Fall of Trading Polities

• Loulan Kingdom (2c BCE~3c CE)
  • Located at a critical crossroads of the overland silk road
  • Paying tributes to both Han China and Xiongnu
  • Under intense pressures of the Han dynasty and Xiongnu

• Malacca Sultanate (1400-1511)
  • Located along the maritime silk road
  • Paying tributes to Ming China, Ayutthaya and Majapahit
  • Loyal to the Ming, seeking autonomy from Ayutthaya
‘Belt and Road Initiative’ in the 21 century
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• The Belt and Road Initiative
  • ‘The Silk Road Economic Belt’ (Sep. 2013): bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and the Indian Ocean
  • ‘21st Century Maritime Silk Road’ (Oct. 2013): from China’s coast to Europe through the South China Sea and the Indian Ocean in one route, and from China’s coast through the South China Sea to the South Pacific in the other

• Six economic corridors
  • New Eurasian Land Bridge; The China–Mongolia–Russia Economic Corridor; China–Central Asia–West Asia Corridor; China–Indochina Peninsula Corridor; China–Myanmar–Bangladesh–India Corridor; China–Pakistan Corridor
‘Belt and Road Initiative’ in the 21 century

• Areas of Co-operation
  • Policy co-ordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds

• The Silk Road Fund
  • The US$40 billion Fund was set up as a limited liability company in December 2014, with a registered capital of US$10 billion

• Asian Infrastructure Investment Bank
  • Registered capital of US$100 billion
  • By September 2019, 44 regional (i.e., Asian) members, 30 non-regional members, plus 26 prospective members (in total 100 approved members)
  • Articles of Agreement entered into force on 25 December 2015; Open for business on January 16, 2016
Old Analogies, New Implications

- Old analogies
  - Connecting the Eurasia Continent via cross-border economic links
  - Major and small countries along the trade routes
  - Political stability and international trade

- New implications
  - Spontaneous economic exchange vs. state-led economic policies
  - Profit-seeking trade vs. infrastructure-building investment
  - The rise of China and its impacts
  - Geopolitics and competition for the new silk roads