

The Construction of “China- Central Asia- West Asia Economic Corridor” In the Post- Covid Era: Challenges, Prospects and Responses

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Abstract. The COVID-19 outbreak since 2020 has had a profound impact on the world. The international cooperation environment in the Belt and Road Initiative is facing new changes and new tasks. China-Central Asia-West Asia Economic Corridor is the most sophisticated one with the largest number of countries and the highest geopolitical complexity among the six economic corridors under the Belt and Road initiative. The epidemic has brought more new challenges to the China-Central Asia-West Asia Economic Corridor. Based on the current status of the economic corridor after the epidemic, this paper analyzes the practical problems and challenges that the economic corridor will face from the perspective of the global situation and regional cooperation. From a global perspective, China-Central Asia-West Asia Economic Corridor needs to face the challenges of the "Cold War mentality" caused by the COVID-19 and the trend of anti-globalization. From a regional perspective, the regime, sovereignty and security problems of countries of the route are more serious, the economic structure is irrational, and the level of technological innovation is insufficient. It is suggested that China should work with countries along the route to optimize the economic structure, build the Digital Silk Road, build a community of shared future for mankind, determine the top-level design, formulate specific routes, and promote the construction of economic corridors. This article has guiding significance for the direction of continuing to promote the construction of the Belt and Road Initiative in response to the difficulties of China's construction of economic corridors in the post-COVID era.

Keywords: China-Central Asia-West Asia Economic Corridor; Challenges; Responses.

1. Introduction

1.1 Background

The COVID-19 pandemic, which began to spread globally in early 2020, has had a strong impact on the world's political economy. It continues to trigger multiple crises in major countries and regions in the world. The epidemic has led to unprecedented twists and resistance to the development of globalization, and a trend of De-globalization has begun to appear. As the key areas of Eurasia, the economic development of Central Asia and West Asia has both geopolitical and geoeconomic significance. Central Asia and West Asia are also the key areas along the development of the “China-Central Asia-West Asia Economic Corridor” (CCWAEC) with the most complex geopolitical and economic environment in “The Belt and Road” initiative (BRI). Affected by the impact of the epidemic, the collapse of international oil prices, and the deterioration of the surrounding international security environment, China's cooperation with Central Asian and Western Asian countries has brought many challenges. Although some countries have adopted various policies and measures to minimize the negative impact of the epidemic on economic development and stabilize the deteriorating economic situation, the overall economic situation in the region is not optimistic. According to the World Economic Situation and Prospect 2021 by the United Nations on 25 January 2021, the world economy is facing the worst economic crisis since the Great Depression of the 1930s due to the rapid spread of the COVID-19 epidemic [1]. The performance of the great recession in the world economy mainly includes the largest contraction in output since World War II, the largest blow to developed economies, and the relatively low degree of economic contraction in developing countries, but the development differences between economies in different regions. In the context of

the epidemic, the external economic situation in Central Asia and West Asia mainly includes: First, in order to cope with the epidemic, the isolation and restrictive measures adopted by various countries have caused the world globalization to regress, the industrial chain has been interrupted, and the external economic ties of Central Asia and West Asian countries have also been forced to be interrupted. Second, regional security conflicts have also dealt a huge blow to Central Asian and West Asian countries, such as the Sino-US trade war and regional conflicts such as the Russo-Ukrainian War, which has brought great pressure to economic recovery. Third, the rapid development of Internet technology and the digital economy can easily lead to a crisis of digital totalitarianism [2].

1.2 literature review

In addition to China, scholars from other countries have less policy research on BRI, and research on CCWAEC is even less concerned. In terms of research content, more focus is on the economic and trade exchanges between China and other countries, and the research on financial integration is carried out. Naima Saeed et al. respectively studied the potential impact of infrastructure improvement under BRI on bilateral trade among countries along the route, and showed in the results that BRI effectively promoted the level of bilateral trade among countries along the route [3]. Francois de Soyres et al. and Suprabha Baniya et al. used different analytical methods to prove that BRI reduces trade transportation time and trade costs for countries along the route [4-5]. Nugent Jeffrey B et al. explored the impact of initiatives on foreign direct investment through the research method of the double-difference model framework, respectively [6].

Chinese scholars have a comprehensive and rich study of policies in China and countries along the route. Policy research on the CCWAEC mainly focuses on China's economy, trade, and infrastructure, while there is a small number of studies on the impact of the epidemic on the region and how to promote the CCWAEC after the epidemic. In addition, the Chinese government report on the CCWAEC is detailed and numerous. The document shows that the COVID-19 has not changed the domestic rationale behind the BRI, but rather strengthened the continuity and expansion of the initiative [7]. First, from China's perspective, the pandemic has exacerbated U.S.-China competition to dangerous proportions, making it imperative to keep the BRI an alternative platform for globalization [8]. Second, while politicians and the public in some BRI participating countries have been critical of China, their overall criticism has been more moderate than that of the United States and its allies. In addition, the demand for medical devices, e-commerce, technology and logistics in the region is growing rapidly. [9].

2. Challenges

2.1 The New Challenges Posed by the COVID-19 in a Global Perspective

2.1.1 "Cold War mentality" in the COVID-19

The COVID-19, with its wide coverage, strong transmission and long duration, has had a profound impact on the political and economic landscape of Central Asia and West Asia. The CCWAEC is one of the six economic corridors of BRI. It is also the economic corridor involving the largest number of countries and the most complicated geopolitical situation. With the impact of the epidemic, it will face more new challenges. In this paragraph, the challenges to the construction of the CCWAEC under the impact of the COVID-19 are analysed. This is a prerequisite for resolving difficulties in the post-COVID era and continuing to promote the building of the BRI and the community of human destiny [12].

Although the Cold War has long since ended, there are still many historical legacies. The most deep-rooted is the Cold War mentality, a product of the U.S.-Soviet Cold War. The Cold War mentality is refer to the hostile attitude and behavior between the capitalist camp and the socialist camp.

China faced a public opinion dilemma. After the outbreak of the epidemic, China actively participated in global epidemic prevention by investing large amounts of public health supplies and sending medical and dispatching medical teams in Central and West Asia on several occasions. This provided human and material resources to support the region. Under the domination of Cold War mentality, Western countries, led by the United States, have used public opinion to smear and smear. Former U.S. President Donald Trump has repeatedly and openly referred to COVID-19 as the "Chinese virus" and "Wuhan virus" in public and in front of social media. Such irresponsible public opinion statements that distort the facts have seriously damaged the political mutual trust between China and other countries and undermined China's foreign diplomacy. China's international image has been damaged, and the values advocated in building a community of human destiny have been undermined. These are challenges that cannot be ignored for China's great power influence and appeal in the process of building CCWAEC.

And Cold War mentality is a threat to China not only in terms of public opinion. It is on the economic side, where the U.S.-led Western countries regulate Chinese goods in the name of sanitation and epidemic prevention, as well as quality control. It provokes trade frictions between China and other countries, and intentionally shapes trade barriers against China. As the top manufacturing country and the top trading country in goods, China. During the epidemic, China has repeatedly provided testing reagents, masks, protective clothing, vaccines and other anti-epidemic materials to many countries in Central and West Asia, the World Health Organization and the African Union, but Western countries, led by the United States, have raised the slogan of "De-Chineseization" and intentionally created friction [13].

2.1.2 Increasing Trend of Counter-Globalization

De-globalization and globalization are two opposing but closely related aspects. The accumulation of negative effects of globalization is an important precipitating factor of "De-globalization". The initial emergence of De-globalization can be traced back to the British response to the Great Depression and the rise of the United States, and the implementation of a series of protection of its own interests, and the abandonment of the gold standard, the implementation of trade protectionism [12]. In recent years, "De-globalization" has gradually become the strategic choice of the U.S. government to maintain hegemony. And, this phenomenon has reached a climax since Trump took office. The process of localization of value chain will be accelerated under reverse globalization. The common economic interests among countries based on the international division of labor in the era of economic globalization will be weakened. The economic and trade dependence between countries will decline significantly. International trade disputes also increase, which in turn further motivates countries to abandon international markets and focus on developing and protecting domestic markets, forming a vicious circle. Therefore, in this economic situation, it is not favorable for China to promote the construction of CCWAEC [14].

2.2 Countries in the Region fFace New Challenges

2.2.1 There are crises of regime, sovereignty, security in the region.

As a result of the epidemic, three major crises have emerged in Central Asia: regime, sovereignty, and security, which have a significant impact on China's ongoing projects in the region and the continuation of BRI quality development. In particular, the political situation in the region is volatile and geopolitically complex, while frequent extremist religious activities. Terrorist activities make the political situation in the countries along the route volatile and conflict-ridden. The political situation is volatile, geopolitically complex, and extremist religious and terrorist activities are rampant along the route countries are geopolitically complex, politically volatile, and in constant conflict. For example, the historical Iran-Iraq War and the Iraq War, the Syrian War, the regime change in Afghanistan, and the Russia-Ukraine conflict in recent years. Countries such as Iraq and Syria have endured continuous domestic political turmoil and warfare since 2011. Turkey and Saudi Arabia, which are economic leaders in the West Asia region, have also suffered frequent terrorist attacks.

Now the outbreak of the Russia-Ukraine conflict has further compromised the security of countries along the CCWAEAC. As a result, countries in the region have had to invest a lot of effort to prevent such incidents. Policy development and considerations have often had to ensure security at the expense of economic goals. All of this makes it more difficult to coordinate cross-border cooperation and poses a challenge to the construction of economic corridors [15].

The volatile political situation also poses a threat to the property and personal safety of our enterprises and personnel in Central Asia. First of all, against the background of prevalent populism, the business premises, equipment and materials, and personnel of Chinese-funded or Sino-foreign joint ventures are more likely to become the target of extremist attacks. Under the epidemic, economic life has impacted the normal life of many people in the region. This has led to social unrest and frequent riots. Storming banks, vandalizing stores, and looting goods can also seriously jeopardize our overseas interests. China's cooperation in Central Asia faces the phenomenon of intertwined political and social risks [16].

2.2.2 Poor economic stability of countries along the route.

Most countries along the CCWAEAC have rich resources such as oil and natural gas. Therefore, most of the fiscal revenues of these countries depend on the export of oil, gas and other commodities, which makes the economic growth of these countries obviously affected by the fluctuation of commodity prices. At the same time, most of the countries have high foreign trade dependence and foreign investment dependence, and are vulnerable to the international economic situation and COVID-19 shocks. Before the epidemic, in terms of Foreign Trade Dependence, all countries along the route except Iran had higher dependence on foreign trade than China. Turkmenistan, UAE, Oman, Kyrgyzstan, Georgia, Lebanon are above 50%. In terms of foreign capital dependence, the proportion of Inward Foreign Direct Investment (FDI) to GDP in these countries is higher than that of China. Inward FDI in Lebanon, Georgia, Jordan, Kazakhstan and other countries accounted for more than 65% of GDP. The above reasons make the economic growth of the countries along the route easily affected by external factors, resulting in large fluctuations, which will have an adverse impact on CCWAEAC, see our example below.

Table 1. Foreign Trade Dependence and Foreign Investment Dependence of each country in 2018 [17-18]

Country	reign Trade/GDP(Inward FDI/GDP(%)	Country	Foreign Trade/GDP(%)	Inward FDI/GDP(%)	
Turkmenistan	118.9	83.6	Saudi Arabia	33.7	33
United Arab Emirates	89.7	28.7	Syria	32.8	
Oman	59.1	27.3	Kazakhstan	30	74.1
Kyrgyzstan	57.4	65	Israel	29.5	33.5
Georgia	52.3	89.6	Uzbekistan	27.9	13.7
Lebanon	51.6	115	Tajikistan	27.1	26.4
Jordan	49.4	81.8	Iraq	26.3	8
Kuwait	48.3	11.8	Turkey	24.4	17.5
Bahrain	47.7	89.3	Yemen	23.3	9.2
Qatar	45.7	19.1	China	20	11.1
Azerbaijan	38	46.3	Iran	19.6	11.8
Armenia	37.2	40.5			

It is precisely because the economic development of Central Asian countries has been facing many common problems such as irrational economic structure, high degree of dependence on foreign countries and susceptibility to external factors for more than 30 years. Limited by the domestic market capacity and the level of industrial development, the development model driven by scientific and technological innovation has received widespread attention in Central Asia and West Asian countries.

However, the rapid development of Internet technology and digital economy has also brought new problems in Central Asia and West Asia. Digital totalitarianism has gradually become a new type of crisis. In recent years, the world economy has made rapid progress in digital development and transformation, and the continuous innovation of digital and Internet technologies has accelerated the innovation of economic development models [19]. The COVID-19 pandemic has triggered a

recession around the world and the region, and many countries have chosen e-commerce and digital economy industries to drive economic and trade recovery. In the case of Kazakhstan and Uzbekistan, Mirziyoyev signed a presidential decree in October 2020 approving the "Digital Uzbekistan 2030" strategy, according to which Uzbekistan will achieve a significant increase in the networking rate (from 78% to 95%) in all regions of the country in the next two years [20].

3. The Path of Construction of the CCWAEC in the Post-Covid Era

Although China still needs to face many challenges in the process of advancing the construction of CCWAEC under the Covid-19 epidemic. Some BRI participating countries are also critical of China, influenced by the United States and its allies, but this criticism is more moderate. According to various documents of the Chinese government on the BRI after the epidemic, as well as related research by Chinese scholars, the Covid-19 epidemic has not changed China's determination to build the BRI. Chinese scholars even believe that China should strengthen the continuity of the initiative and deepen cooperation under the Covid-19.

3.1 Establishing a Digital Silk Road

In the post-COVID era, countries around the world will continue to rely on digital infrastructure, digital economy, and digital technology, and the willingness and needs of countries around the world to participate in the Digital Silk Road will also greatly increase. China can consider it in terms of digital, as the direction for the construction of CCWAECs in the post-epidemic era to break through challenges.

First, strengthen co-construction and sharing to help regional countries striding over the digital divide. The construction of the digital CCWAEC should be based on striding the digital divide. One, expand the coverage of digital CCWAEC infrastructure. Based on the principle of mutual benefit, provide adequate policy, financial and technical assistance to the digital infrastructure construction of underdeveloped countries and regions. In the construction of network communication equipment, joint operators and equipment vendors jointly promote the development of digital infrastructure in various countries. In a legal and predictable environment, promoting broadband network coverage, improving service capacity and quality, and accelerating data center construction will enable the benefits of the digital BRI to reach ordinary people. Two, promote the interconnection of the digital economy. Make full use of the comparative advantages of China's digital economy, strengthen multilateral cooperation with developing countries, and share experience and best practices in developing the digital economy. And promote the countries along the CCWAEC to jointly participate in the construction of the digital economy CCWAEC, enhance the independent digital development capabilities of developing countries, reduce trade costs, improve trade efficiency, and share the benefits of digital economy.

Second, build a consensus of many parties and build a network data security system. The increasingly complex network environment has put forward higher requirements for data security in the digital CCWAEC. Therefore, the digital CCWAEC should pay attention to the fundamental role of network data security. Under the guidance of the overall security concept, the goal is win-win cooperation, and the premise is security and credibility. For privacy protection, data security, platform security, etc., build a network data security guarantee system to ensure the orderly advancement of the digital CCWAEC.

Finally, carry out multi-party exploration to build a global digital governance system. With the context of the drastic changes in the global external environment such as the strategic competition between China and US, the COVID-19. The need for building new rules and strategies for global digital governance is even more urgent. First, build a unified digital technology standard system. China should set up a digital economy support fund with the Silk Road Fund and the national banks of the countries along the route. Second, establish a clear digital trade rules system. Under the

leadership of the China government, which will work with countries along the digital CCWAEC to determine digital governance and regulatory standards and rules in various fields.

3.2 Building a Community with a Shared Future for Mankind

Since the 18th National Congress of the Communist Party of China (CPC), the concept of a community with a shared future for mankind (CSFM) has been successively written into the Constitution of the CPC, and has been written into the documents of the UN and other international organizations. CSFM has also become an important idea guiding the construction of the CCWAEC. Especially after the epidemic, in order to deal with the COVID-19, fight the epidemic, and improve the regional health governance system, China has further proposed the initiative of a community of human health [21].

The significance of CSFM for globalization and anti-globalization. The regional economic cooperation framework advocated by the CCWAEC is a new concept of global development proposed by China. Under the epidemic, the world economic development has become unbalanced, the economic growth rate has weakened, and the problems of developing countries have become more prominent. Under the trend of anti-globalization, CSFM has shown the characteristics of inclusiveness, which will help developing countries including China to further strengthen international cooperation. In the process of promoting the construction of the CCWAEC, it can provide a certain ideological basis when dealing with the control by the United States, and the sovereignty and security issues of the regions along the route. It is conducive to solving past problems and emerging problems, and obviously helps to improve the institutional functions and solving capabilities of related problem areas.

3.3 Issue a Top-Level Plan as soon as possible to Determine the Specific Route of the Economic Corridor

At present, among the six major economic corridors of the BRI, the China-Pakistan Economic Corridor and the China-Mongolia-Russia Economic Corridor have already had a relatively specific top-level design and planning, and also clarified the basic route. In contrast, CCWAEC construction has not yet issued a top-level planning and design, but has reached a consensus with relevant countries on the vision of corridor construction. One of the reasons is that there are many countries involved in the corridor, the geopolitics is complex, and some countries have complex relations due to historical reasons, and it is difficult to promote and coordinate at the same level. However, in terms of willingness to participate, recognition of the construction vision and economic complementarity, China and Central and West Asian countries have good conditions for cooperation, and this corridor is China's most important energy channel. It is in the common interests of all countries to promote the common development of all countries, thereby stimulating the economic growth of all countries. It is recommended to strengthen the investment in think tanks in the construction of the economic corridor, and comprehensively consider the relevant issues of the corridor construction from the aspects of the institutional mechanism construction of the economic corridor, the design of cross-border transportation routes, project investment and technical and economic evaluation, and the corresponding financing guarantee. By means of bilateral first and then multilateral, after obtaining the approval of relevant partners, the Economic Corridor Plan will be signed with the countries along the route as soon as possible, so as to start the docking work as soon as possible.

4. Summary

Although CCWAEC has favorable conditions for construction, it still needs to face many challenges. This is also a crucial aspect that should be considered in the current CCWAEC construction. From the perspective of this study, the current external economic environment in Central and Western Asia is facing major problems and needs to face different challenges.

The first is from a global perspective. On the one hand, CCWAEC needs to face the challenge of the "Cold War mentality" caused by COVID-19. In the process of building CCWAEC, the political mutual trust between China and the countries along the route has been seriously damaged, and China's foreign diplomacy has been undermined. On the other hand, de-globalization makes the value chain more inclined to localization. Under this economic situation, it is not conducive for China to promote the construction of CCWAEC. The second is the challenges facing the region. On the one hand, due to the outbreak of the epidemic, the problems of regime, sovereignty and security in this region have become more serious. Central and Western Asia has problems such as political instability, complex geopolitics, frequent extremist religious activities, and constant conflicts. Therefore, in the process of promoting the construction of CCWAEC, a large amount of additional investment has to be added to ensure the safety of the cooperation process and coordinate cross-border cooperation issues. On the other hand, countries along the route have poor economic stability. The economic structure is unreasonable, and it is mostly dependent on commodities such as oil and natural gas. In addition, the level of technological innovation is not high, which limits the development of Internet technology and digital economy in this region.

Although CCWAEC construction faces more challenges after the epidemic, China's determination to build BRI and CCWAEC has not diminished. Therefore, this study puts forward a series of feasible suggestions for the problems that CCWAEC construction will face in the post-epidemic era.

The first is the construction of the Digital Silk Road, which provides new ideas for solving problems for the construction of CCWAEC from the perspective of digitalization. Secondly, to build CSFM, and in the face of the epidemic, China further proposed the proposal of a community of human health. Finally, determine the specific route of the economic corridor, determine the top-level design, and establish a more comprehensive, overall and overall plan for the economic cooperation in Central Asia and West Asia.

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