kinda finished

Preface

For as early as the second century BCE and until the mid-15th century, a network of Eurasian trade routes spanning mountains and deserts - the Silk Road - brought fortune and prosperity to many. Two millenniums later, China is trying to bring the ancient trade route to its former glory. Under the name Belt and Road Initiative (BRI), these investments involving hundreds of countries and trillions of dollars have played a pivotal role in China's foreign policy.

A common Western portrayal of China's lending practices under the BRI is known as debt-trap diplomacy, as well as a way for China to influence domestic politics. At the same time, China promotes it as a win-win for everyone. The ever-growing Chinese economy and military strength have made such issues regarding China's influence on international relations especially crucial.

This essay is written to introduce the Belt and Road Initiative and discuss the relevant issues and the distinct narratives.

The BRI

In 2013, during a visit to Kazakhstan, Chinese President Xi Jinping introduced the idea of the BRI: "We should take an innovative approach and jointly build an economic belt along the Silk Road". A month later, in Indonesia, he presented the idea of building a "maritime Silk Road". Later that year, after a plenary session of the 18th Central Committee of CCP, the Belt and Road Initiative officially became a "national strategy". Thus, the year 2013 marks the beginning of this grand investment project[1].

As the founder of BRI, China has been closely involved in the development of the initiative. In 2014, the Silk Road Fund was established (with US$40 billion of assets funded by China) to increase investment in countries participating in the Belt and Road Initiative. In 2016, the Asian Infrastructure Investment Bank started to function. Its goal, as the name suggests, is to foster further investment in infrastructure in Asia.

Out of all the projects, the China-Pakistan Economic Corridor (CPEC) stands as the one with perhaps the most significance and success, involving around 62 billion dollars of Chinese investment and spanning across the entire Pakistan. Since 2013, China has helped to construct roads, railways, harbors, as well as airports and power stations. Similar to many countries in Central Asia, Pakistan faced stagnation in economic growth and corruption, resulting in little foreign investment. Yet due to the BRI, in 2016, Pakistan saw its highest GDP growth in 10 years[2]. For China, the CPEC meant not only an economic investment but also an alternative route to the Malacca Strait for goods, oil, and gas from the Middle East.

China has invested in many other projects, including the Hambantota International Port in Sri Lanka, the Boten–Vientiane railway, the Padma Multipurpose Bridge, etc. Since its

---

[1] https://web.archive.org/web/20180827174158/http://www.zgdsw.org.cn/n1/2017/0331/c218998-29182692.html

[2] https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=PK

founding in 2013, China has invested increasingly more in the BRI, whose popularity has grown across the globe. As for the domestic narrative, the Belt and Road Initiative is often described as a project through which China, as a leading economy and global superpower, demonstrates its strengths and prosperity. The portrayals often emphasize the positive impact and the Chinese involvement, including sharing skills and knowledge with the locals. It is a gateway through which the outside world sees China's power in the infrastructure industry and the developed manufacturing industry in general.

The Western narrative

The active investment of the BRI has changed certain patterns from the past. "In the past two decades, China has built large infrastructure projects in almost every country in Africa"[3]. Unlike Western investments, which often require strict ethical standards and transparency during the project, Chinese investments demand less of such additional conditions, serving as a more accessible alternative for funding for African countries, whose governments are often corrupt to a certain degree and lack transparency in spending. This way, China's investments have been more welcomed compared to the Western investments in the African region.

This has become the source of worries for many Western critics. Especially since 2017, after Sri Lanka's government granted a Chinese company a 99-year lease of Hambantota International Port after being unable to pay the debt. The BRI has since been criticized for purposely creating debt traps in order to seize foreign strategic assets or gain political leverage. Many people see the BRI as a cover under which China tries to increase its global influence internationally.

Upon further inspection, it should be quite clear that a purposeful debt trap doesn't exist. BRI has funded hundreds of projects across the world, while only a very few of them ended in China seizing the assets. Considering the scope of Chinese investment, it is foreseeable that some of the many investments would end up not profiting but in defaulting. It could be said that China is consciously investing in regions that have higher risks, yet it is a completely different story from the debt trap theory. Moreover, the other side, by signing the contract, acknowledges the agreement, thus, there is no such thing as a "trap". To its fullest potential, the debt-trap theory merely acknowledges the vigilance of the Western world concerning every action that may lead to China expanding its global influence.

Yet the theory of a debt trap certainly has some truth in itself. To gain some insights regarding the worries, it is worthwhile to look into the countries borrowing money from China under BRI. These countries are mostly located in Asia and on the African continent. Despite the differences in geographic location, these countries share many things in common. Notably, most of these countries are developing countries.

It is a typical scene for such a country to have a less democratic if not authoritarian government, which is understandable. Take, for example, the African countries, most of which were colonies before gaining independence after World War II. In their case, there often isn't much to inherit from the colonial times except for underdevelopment and neverending conflicts that originated from the colonial period. Taking into account this historical context, it is naturally complicated for these countries to have functioning

---

[3] https://www.youtube.com/watch?v=_-QDEWwSkP0

democracies and transparency. As a result, these African countries often receive little foreign investment from the Western world, except for charity and humanitarian aid from NGOs.

This is the point when Chinese investment comes into sight. In addition to the willingness to provide funding and the capability of building infrastructures, China shares a common history of being a developing country. In a way, China has exactly what the countries need - free capital, enterprises, and skilled labor. In fact, due to the decreasing demand in the domestic market, the China enterprises are more than willing to take part in these projects. In contrast, the Western world has fewer incentives to invest in Africa. Surely enough, African countries have demand for the construction of new infrastructures, yet, as previously stated, due to the lack of transparency and democracy in the government, Western banks are less willing to invest. Moreover, unlike China that has a developed second sector of the economy and a high supply for the construction of infrastructures (or even excess supply), the West is less active in this way.

Taking everything into consideration there is no wonder why the ever-growing Chinese investment, especially in Africa, is concerning to the West. Since China invests way more, it means that China is slowly but surely getting closer ties with the borrowing countries. On the one hand, having closer ties helps to pave the road for future collaborations, since it is likely that, because of the successful borrowing in the past, the countries will be more willing to take part in further BRI projects as opposed to accepting Western investments. This aspect serves as an endless reinforcing cycle that helps to strengthen China's influence in the various regions, most notably Africa. On the other hand, the economic ties will certainly lead to political advantages. For example, China could ask the borrowing countries to remain silent on its human rights issues or Taiwan on international stages like the UN. These countries, due to the economic links, can potentially become China's political allies, which is something that's not particularly comfortable for the West. Moreover, successful infrastructure projects can help to strengthen the authoritarian government in the African region, which fundamentally opposes the Western values of democracy. All in all, since the financial incentives in the borrowing countries can also lead to political incentives (the ruling party gets popularity by boosting the country's economy, the building-up of authoritarianism), the reinforcing cycle of China's influence on these countries is quite unbreakable.

What now?

China is investing and gaining acknowledgment and influence in the developing world. It is starting to control a considerable part of a vast and profitable market. But what does it mean to the rest of the world?

In June 2021, the initiative Build Back Better World (B3W) was launched by G7 as an alternative to BRI. Later that year, the EU launched the Global Gateway initiative to invest in infrastructure projects worldwide. Both projects are seen as rivals to the Belt and Road Initiative. For the G7 and EU, these two projects mean that there finally exist projects that might compete with the BRI as far as the influence in developing countries is concerned. Opposed to the BRI, which is heavily criticized in the West due to its human rights issues and economic risks, these newly founded projects will likely to continue foster Western values alongside the economic benefits. Just as the President of the European Commission von der Leyen stated in her Global Gateway opening remarks in 2021, the EU "... want to show that a democratic, value-driven approach can deliver on the most pressing challenges"[4].

Whether or not B3W and Global Gateway will be successful in competing with the BRI is irrelevant to this essay, but what's definitely relevant is the increased likelihood for developing countries to attract investment and improve infrastructure, putting them on the winning side, despite the competition.

[4] https://ec.europa.eu/commission/presscorner/detail/en/statement_21_6522