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To what extent will the 'Belt and Road' initiative benefit the countries, other than China, that it visits?

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The Belt and Road Initiative (BRI), or as it is also known, the "One Belt, One Road" project, was first announced by Chinese President Xi Jinping in 2013.[1] The BRI has two main branches which connect China to Europe, with the first being the Silk Road Economic Belt, which includes countries in Central and South Asia. The second branch is the New Maritime Silk Road which connects China to Europe through ports in Southeast Asia, the Gulf countries, and North Africa.[2] China's need to make connections with the rest of the world through infrastructure, investment and trade was the driving force behind this transnational economic project. Despite some countries such as the United States speaking out against the BRI, China has mentioned that it welcomes the participation of any nation in this endeavour, and it should be noted that the BRI could play an important role between countries through economic and cultural exchanges.[3]

Since its inception in 2013, the BRI has garnered both praise and criticism from various countries and international organizations. While some have expressed concerns over its potential to deepen debt and geopolitical tensions, others see it as an opportunity to unlock economic potential and facilitate cooperation among countries. However, I personally think that the project could have major consequences in certain countries, as is evidenced by places such as Sri Lanka and Pakistan, but has the potential to lift countries into flourishing trade markets and out of economic poverty. Therefore, I agree to a certain extent that the Belt and Road Initiative will benefit the countries, other than China, that are involved with it, and throughout this essay I will weigh the benefits against the negative impacts to determine how valuable and tangible these benefits truly are.

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[1] (Daily Sabah, 2019)
[2] (Daily Sabah, 2019)
[3] (Daily Sabah, 2019)

Although there are several claims of negative impacts to the countries that are involved with the Belt and Road Initiative, the BRI is intended to support these nations by aiming at promoting win-win cooperation by strengthening policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and people-to-people bonds.[4] *During a meeting held in April 2019, President Xi reiterated that though the BRI was first proposed by China, the opportunities and benefits it generates will be shared by the entire world.*[5]

The BRI covers Southeast Asia, South Asia, Central Asia, West Asia, North Africa, and Central and Eastern Europe. The combined land territories of those regions account for more than one-third of the world total, around 60 percent of the global population and 32 percent of its GDP.[6] *Therefore, one of the most significant benefits of the BRI is the potential for increased trade and investment among participating countries. By promoting the construction of infrastructure projects such as ports, railways, and highways, the BRI aims to improve connectivity and reduce trade barriers between participating countries.*[7] *Particularly in developing countries, economic improvement and subsequent development cannot happen without the development of infrastructure. Over the last eight years, the BRI has seen China and Russia, Mongolia, Myanmar, Laos, India and other countries in Asia and Europe connected by a network of economic corridors. Infrastructure connectivity saves transportation time and cost, and unleashes trade and investment potential, which will almost certainly result in economic growth and job creation, a clear benefit, and an enticing factor for other countries to become involved.*

Another benefit of the BRI is the increased regional cooperation and integration. Policy coordination is a precondition for connectivity along the BRI. When working with other countries in advancing the initiative, through effective communication and coordination, China has expanded consensus with other BRI participating countries and won broader support from them and international organizations. Additionally, unimpeded trade is a focus of efforts in progressing the development of the BRI. At the first Belt and Road Forum for International Cooperation in 2017, China put forward the Cooperation Initiative of Promoting Belt and Road Trade Connectivity, which was aimed at facilitating trade and investment, as well as reducing trading costs in order to involve more countries in economic globalization.[8] *Currently, more than 80 countries and international organizations have joined the initiative for trade connectivity. As of 2023, several platforms for international trade have been*

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[4] (China Today, 2022)
[5] (China Today, 2022)
[6] (China Today, 2022)
[7] (China Today, 2022)
[8] (China Today, 2022)

established, and the exchange of both goods and services between China and other BRI countries has registered steady growth.[9] *Cooperation and exchanges under the BRI have also led to emerging new technologies, new forms of business and new models of trade.*

Lastly, despite the heavy blow dealt by COVID-19, imports and exports through cross-border e-commerce platforms have increased, keeping countries connected, creating jobs, and bringing convenience to people's lives as well as more development opportunities.[10]

However, while the BRI has been presented by China as a miraculous idea that benefits each country involved with its development, China itself does not seem to be able to return nearly as much as it has invested. China has plans to spend $1 trillion in the next coming years on top of $300 billion already having been invested.[11] *One such example is the over $60 billion spent by China in the China-Pakistan Economic Corridor.*[12] *This is suspicious, as it is predicted to only have an estimated $50 billion total value by its completion. While China could simply have generous, deep pockets with the sole aim of connectivity and united success to rival the European and US trade markets, it does beg the question of what the main benefit to China truly is.*

Taking the Pakistani situation as a case study, local traders in Pakistan have expressed their reservations over the CPEC. Chinese exports have entered the domestic Pakistani market, and are cheaper due to the relatively higher cost of production in Pakistan. It has also been speculated that the CPEC will replace Pakistani exports by Chinese ones in external markets, which is a major concern. Furthermore, according to the International Monetary Fund's (IMF) data, 30 per cent of Pakistan's total foreign debt is owed to China — roughly $30 billion.[13] *This implies that China's real motives could in fact be the invasion of markets, as well as debt traps from small countries roped into the BRI scheme.*

One of the main factors that suggest countries do not stand to gain from the BRI, is that of debt traps and unpayable loans. A slowing global economy, combined with rising interest rates and higher inflation, have left countries struggling to repay their debts to China.[14] *Tens of billions of dollars of loans have gone sour, and numerous development projects have stalled. In just a*

[9] (China Today, 2022)
[10] (China Today, 2022)
[11] (Wall Street Journal, 2019)
[12] (Wikipedia, n.d.)
[13] (Wikipedia, n.d.)
[14] (Wall Street Journal, 2019)

decade, according to the Foreign Ministry, China handed out about $1 trillion in loans and other funds for development projects in almost 150 countries, and for the first time, became the world's largest official creditor.[15] *Western leaders have criticized China's lending practices, with many economists and investors accusing the country's lending practices of contributing to debt crises in places like Sri Lanka and Zambia.*

In fact, nearly 60% of China's overseas loans are now held by countries considered to be in financial distress, compared with a mere 5% in 2010.[16]

In conclusion, there are both large upsides and disastrous downsides to the Belt and Road Initiative. Firstly, the increased regional cooperation and integration helps support the developing Asian and European trade markets, and the construction of infrastructure projects such as ports, railways, and highways will improve connectivity and reduce trade barriers between participating countries. On the other hand, while the BRI can bring economic benefits to each of the countries involved, there are still major concerns about its effect on debt sustainability, the environment, and geopolitical implications. Specifically with regards to debt, a vast majority of nations with which China has partnered have a history of political instability, military intervention in governance, problems of law and order, rampant corruption, lack of transparency and no entrepreneurial culture. Hence, critics call these projects "a neo-colonial scheme" and "a debt trap" for many nations.

Therefore, I believe that to some extent, the Belt and Road Initiative will benefit the countries other than China that are involved with it, because regardless of allegations of market invasions and irresponsible lending practices, the BRI has massive potential and can create new opportunities for destitute markets, as well as boosting transportation and economic growth in these nations.

[15] (Wall Street Journal, 2019)
[16] (Wall Street Journal, 2019)

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