10 Years of China's Belt and Road Initiative (BRI)

Why in news?

The year 2023 marks a decade since China's ambitious infrastructure funding project, the BRI, was first outlined by President Xi Jinping.

What is BRI?

- **'Belt' Plan**- President Xi Jinping announced the Silk Road Economic 'Belt' during his visits to Kazakhstan in *2013.*
- It was to revitalise a series of trading and infrastructure routes between Asia and Europe.
- Connectivity through Central Asia was a key element of the initiative.
- **'Road' Plan –** A sea trade infrastructure called 'Road' was announced to connect China with Southeast Asia, Europe and Africa.
- The major focus has been to build ports, bridges, industry corridors, etc. throughout South East Asia and Indian Ocean.
- Together, these initiatives were referred to as the ***One Belt One Road Initiative (OBOR).***
- **Aim of BRI -** China wanted to
    - Resolve capital surplus and industrial overcapacity
    - Increase its political influence in broader regions
- **Corridors** - The initiative includes 6 international corridors.

- **Principles of BRI**
    - Policy coordination
    - Infrastructure connectivity
    - Trade
    - Financial integration
    - People-to-people connections
    - Industrial cooperation
- **Main channels for BRI financing** - China-headquartered Asian Infrastructure Investment Bank (AIIB) and Silk Road Fund (SRF)
- **BRI Forums** - China has hosted 3 BRI Forums in 2017, 2019, and 2023.

Main Takeaways from China's Belt and Road Forum 2023

• The Forum focused on the theme, '*High-quality Belt and Road Cooperation: Together for Common Development and Prosperity*.'
• The main takeaways from thematic discussions include
  - Promoting unimpeded trade
  - Enhancing maritime cooperation
  - Promoting a clean silk road
  - Developing a digital economy as a new source of growth
  - Strengthening think tank exchanges
  - Enhancing people-to-people exchanges
  - Strengthening subnational cooperation

What is the China's view on BRI?

- **Project of the century** - In 2017, Xi dubbed BRI as the "project of the century" and it is a part of his long-term dream of a China-dominated world.
- It was reported that 3,000 BRI projects valued at $1 trillion, are currently underway across the globe.
- **Economic development** - According to a report by the World Bank, the BRI increased the trade of participating parties by 4.1%, attract 5% more foreign investment, and levelled up the GDP of low-income countries by 3.4%.
- **Employment** - By 2022, Chinese enterprises' investment in the cooperating countries has created 421,000 local jobs, with more than 3,000 projects being implemented.
- **Connectivity** - It facilitated connectivity between China and countries in 5 priority dimensions of policy, infrastructure, trade, finance and people-to-people ties.
- **Geopolitical leverage** - The BRI has already cultivated substantial diplomatic and geopolitical leverage for China within the Global South.
- **Others** -The communication and cooperation in education, culture and tourism are enhanced, people-to-people exchanges and mutual learning among civilizations along the route also flourished.

Apart from the BRI, Chinese President also proposed 3 other Initiatives over the years - Global Development Initiative, Global Security Initiative and Global Civilization Initiative.

What are the criticisms against BRI?

- **Funding** - With China's slowing economic growth, the volume of projects and the amount of money going into the BRI have stagnated.
- **Italy's case** - Italy's possible departure from the BRI will be a symbolic setback as it was the only G7 country which had formally joined the initiative.
- **Debt crisis** - The economic non-viability of many projects is questioned as it had led to "debt trap" situations in countries like Sri Lanka.
    - Malaysia cancelled $22 billion worth of BRI projects, citing inflated prices.
- **Nature of contracts**- The inflexible nature of BRI contracts, where credit is extended at close to market rates, and debt cancellation or restructuring rarely included, has been a major impediment.
- **Transparency** - The lack of transparency regarding the financing raises questions

about the long-term implications of BRI.

- **India's view**- India opposes this project as China Pakistan Economic Corridor (CPEC) passes through *Pakistan occupied Kashmir*, infringing on India's sovereignty and territorial integrity.
- **De-risking** - European nations are trying to reduce their dependence on China amid a Western push to de-risk supply chains, alongside growing geopolitical tensions with Beijing.

China Pakistan Economic Corridor (CPEC)
• **Announced in** - 2013 as a part of BRI • **Location** - Enters *Pakistan Occupied Kashmir (PoK)* through the Karakoram Highway in *Gilgit Baltistan.* • **Investment-** $60 billion • **Aim**- It is 3000km long which is initiated to - To circumvent the Straits of Malacca and the South China Sea - To improve infrastructure within Pakistan for better trade with China and to further integrate the countries of South Asia - To connect the deep-sea Pakistani ports of ***Gwadar and Karachi*** to China's Xinjiang province and beyond by overland routes.

What lies ahead?

- Faced with a challenging geopolitical and economic landscape, China is now adjusting its ambitions, aiming to pivot towards green and smaller-scale development projects.
- Other potent alternatives for BRI are as follows.
    - In 2021, the G7 launched the *Build Back Better World Initiative* (B3W) which was later renamed as *Partnership for Global Infrastructure and Investment (PGII)*
    - In 2023, the EU announced the *Global Gateway Programme (GGP)*
    - India announced the *India-Middle East-Europe (IMEC)* corridor at the New Delhi G20 summit

References

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