

A general overview of China's Belt and Road Initiative through infrastructures construction

2013 marked a new step for the Chinese society as a whole. That year the PRC elected its seventh president since the rise of Mao Zedong's ideology in the 50s. In a few years, the sitting Chinese president Xi-Jinping and his communist party have set new challenges and a new direction for Chinese politics in the 21st century. Traditionally more of an isolationist society and economy in the last century, China is progressively deregulating its economy and opening its massive internal market to the world. The nearly one and a half billion inhabitants' country is now trying to top the US in terms of economic and trade dominance as well as becoming a political leader to be counted on the world stage. This rising amount of influence and power is materialized by party lead projects with the intent to strengthen China's position as a global powerhouse. These projects mimic the US's way of building military or economic alliances with geographical neighbors or politically associated countries and their governments in the 20th century. But as the US took the example of European colonialism corrected in accordance with morals and ethics standards matching its society's demand at the time of making, China is building new types of alliances fully using the advantages offered by the once refuted capitalism, free market and trade. The Belt and Road Initiative (BRI) is the biggest of this Chinese influence seeking projects. Xi-Jinping and its administration launched this project in 2013 with the publicly know intention to revive the then extinct "silk road" and develop it even further. The

heritage for this project is not a thin one, the silk roads at their maximum extent during the seventeenth and eighteenth centuries marked a golden age for China's trade and global influence.

How China, through its Belt and Road Initiative, is reshaping the world's trade and hence the political and economic landscape of our modern societies?

We will be studying this subject with a special focus on infrastructure building and the political cost behind. Finally, we'll try to get a better understanding of the global power shift towards multilateralism and China's push to become the next superpower.

During the past 20 years, China imposed itself as the world's powerhouse for the construction industry. As an example, between the years 2011 and 2013, China used more concrete than the US did in the entire 20th century. Driven by a fast-growing population and economy at the beginning of the 21st century, the construction sector in China is booming. Its massive economy relying primarily on good manufacturing and the energy sector needs gigantic amounts of resources to function. China's domestic production for many materials cannot meet its demand. Here comes China's preferential ways to import unmanufactured goods. We could talk about coal from Australia or sand from Malaysia, but we will focus on the benefits the BRI brings to table. The BRI assures China a steady income of the resources needed to make its factories run. For example, through this project, Beijing is securing its access to crude oil in the middle east by diversifying the means by which petroleum is transported to mainland China. The Chinese government is planning the opening of pipelines through the entire length of Pakistan and Burma (*Myanmar*). This infrastructure would allow for a bypass of the Malacca straight saving money, time and lowering the risk of tankers being hijacked. The entire BRI has for

objective to “make the world a smaller place” by selecting the direction towards which China wants to connect faster and in a safer way.

Moreover, once these raw materials have been transformed, Chinese companies need to make sure their product arrive in a rapid, cheap and cost-effective manner to the final customer. Most often, the region of production of raw materials and the one of delivery for the final manufactured product are not the same. China thus implements a different strategy in linking its production capabilities to major partners of the BRI. The most interesting market for Chinese products is Europe or other Western countries. China is transitioning from a pool of unskilled workers and poor wages making cheap products for the rest of the world to one of the leading manufacturers of high tech and leading-edge technologies depending on highly educated workers with higher labor cost. The new silk road reassures and amplifies the trade capabilities for Chinese manufactured goods toward Europe. These trade capabilities are enhanced by the construction of new railroads traversing the Eurasian continent or the acquisition by Chinese financed management companies of ports along the path of cargo ships between Europe and East-Asia. The Belt and Road initiative also allows people and ideas to be exchanged between Beijing and European capitals. For example, on January 1st, 2017, the first direct train line between Western China and London was opened. Moreover, everywhere China implants itself through a construction project, Chinese workers are brought from home and sometimes stay in the country after project completion. Finally, the recent opening of the first Chinese overseas military base in Djibouti shows that security of products and of the trading process is a key element in the Chinese economic development. With that move Xi-Jinping’s government breaks Chinese tradition of non-interventionism in military actions.

To the likes of oil producing countries, China is trying to diversify its economy not to be dependent on a single source of revenue. The BRI implements itself in that matter allowing china to import its cutting-edge technologies and companies for the likes of the 5G and Huawei debate in western European markets.

China is building all of those infrastructures outside of its borders for more than just economical gain. By establishing its presence on the Eurasian and African continent, China hopes to transition from a regional political powerhouse to a global one. Every Chinese led construction project comes with an inherent political cost.

The first things that comes to mind when you associate huge infrastructure projects lead by economic but not yet politic powers is the Marshall plan implemented by the US in the aftermath of WWII in a recovering Europe. This plan exceeded by far the US's expectations. With a relatively small initial investment, the US assured themselves of a faithful market and complying societies (installment of NATO, Free trade agreements...) in just a decade or so. Like mentioned before, China mimics what worked for the US to establish its world dominance. By providing advantaging loans to developing countries and countries in desperate need for fast, non-regarding revenues, China ensures that these countries tie themselves to the regime on the long term. Xi-Jinping's economy is toping its maximum growth and china needs to invest carefully its massive recent financial gain. Those loans are a mean of leverage for Beijing to impose political pressure. Countries who need the most these loans are most often in a poor political or economic situation and are, more often than not, refused loans from classic financial actors like the BCE, the world bank or western financial powerhouses. On the other hand, you have China, less regardant on the politic and economic situation and willing to take more risks in exchange for political

concessions. As an example, nowadays, only Eswatini recognizes Taiwan as the true China. In the 60s, 70s and 80s, developing and emancipating countries especially in Africa had a massive weight at the UN and weren't afraid to use it against European countries that once colonized them. During those years, China and the rest of the developing world linked ties that still hold on today through the Bandung convention and those ties are now sealed in a one-way manner by the loans and economical strings attached to Beijing.

It is reasonable to say that for China, those types of deals are very advantageous. China is peaking in terms of productivity and economic power in the late 2010s. Its internal market cannot meet the regime demands for growth. The country is in a way, through big infrastructure projects like the BRI accompanied by high interest long time yield loans, storing its massive production capabilities in the form of capital for the future. The risk of non-reimbursement from petty governments is minimal compared to the long-term potential of these schemes. In case of payment default, China includes in the loans clauses that bring advantageous compensations. We can look at the Hambantota Port development project in Sri-Lanka whose control fell in Chinese hand for 99 years in 2018 due to failure in reimbursement of loans contracted by the small island-country. For governments contracting those "poisoned loans", it is a dangerous bet. They have to make sure these loans are going to bring double digit growth in the immediate future if they want to reimburse, they debt. It is a hard-to-find sweet spot in the balance that they need to find. Growth is the only sustainable way to pay back these high interest loans. Other means of reimbursing is a higher inflation rate or raising the taxes, things that are hard to do for already poor and economically weak governments.

The final potential political gain for China is internal or at least regional. Through a web of transportation infrastructures, Beijing is bettering its connectivity especially westbound.

Highways and railroads construction to Europe and the Middle East allows Xi-Jinping's government to better integrate to the global economy central Asian nations like Kazakhstan, Kirghizstan... Inside the country's borders, this better connectivity allows for the silencing of the minorities and the implementation of the classical Chinese "Han" traditions and ways of thinking. In its most western province, Xinjiang, the construction of high-speed railways and highways to eastern china accelerates the replacement and slow extinction (not to say extermination) of Muslim minorities that are seen as threatening for the long-term visions of Xi-Jinping's government. Even outside of its borders, one could say that china is imitating the Soviet Union in the 40s – 50s trying to build itself a group of "satellites" or "buffer" countries around its core. We already talked of the integration of Pakistan and Burma (*Myanmar*) in the BRI but this is best represented by the integrations of central Asian countries and Mongolia.

In conclusion, the Chinese led Belt and Road initiative is the reflect and instrument of a global shift in power and representation towards East-Asia. China is expanding its never-seen production and financial capabilities and investing it in a sustainable manner to assure growth on the long term. The BRI is just a part of Xi-Jinping's effort to consolidate its country's trade dominance and rising political power. In a few years, with a forever faster changing world and the backdown of the US in term of political influence and involvement around the world under the Trump administration, China is quietly but strongly placing its pawns. Some compare the use of capitalism and modern finance schemes by the Chinese as a new type of colonialism but if you ask the parties involved the difference with European, Japanese or even early US type of colonialism, they'll tell you the BRI is a win-win/win-for-all project. More than just filling a gap left by the US, China is installing a new world order with clearly announced objective, most of

them completing by 2050. By that time, one can only imagine the diffusion of Chinese views around the globe. We need to ask ourselves now, in a world under Chinese uncontested leadership, what would be the status-quo on matters of the highest importance discussed in this essay and most relevant to western societies like Human Rights, freedom, democracy and liberalism.