



DEVELOPMENT THROUGH INFRASTRUCTURAL CONNECTIVITY: CHINA'S BELT AND ROAD INITIATIVE AND POLICY OPTIONS FOR THE STATES INVOLVED

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ABSTRACT

Belt and Road initiative (BRI) is the revival of the ancient Silk Road. From the historical analysis of the ancient Silk Road, it could be easily understood that nations around the Silk Road have cultural assimilation fostering mutual cohesion. In this context, BRI was proposed by the Xi Jinping administration, which provides a ground for a very old idea of bringing Eurasians under the development phenomenon for achieving common economic growth goals. Indeed, BRI is not only initiated to promote trade, but it will also increase multi-dimensional cooperation among nations, such as a cultural and educational exchange. It will bring closer not only the regional countries but even the continents to each other. Moreover, BRI will bring new enthusiasm to the old idea, and provides grounds for development and achieving common goals between the states. BRI is deemed to be a game changer for the states involved and China itself.

KEYWORDS

China, BRI, Silk Road, Economic Growth, OBOR.



INTRODUCTION

Chinese President XI Jinping presented the idea of BRI, then the One Belt One Road Initiative (OBOR), in November 2015. Its proposal was presented in the Chinese 13th five years plan; its construction was decided in three phases. OBOR is providing an opportunity for the countries around the Pacific and Indian Ocean to enhance their trade with China. Furthermore, OBOR links the Chinese economy with Europe, West Asia, Central Asia, and East Asia; if this happened, it means that it is connecting of European Economic Zone and the Asia Pacific Economic Zone (Xiguang, 2016, p.1-13).

OBOR is a mega project, and a top priority of the Chinese, approximately US\$ 900 billion in projects were started on different infrastructure-related programs, and US\$ 46 billion for China Pakistan Economic Corridor (CPEC) is part of the said project. However, due to periodical changes in the CPEC, the cost has been increased from this basic amount. China wants to spend 150 billion US\$ on OBOR each year. In this regard, about 51 new railway tracks have been initiated to connect Europe with China, and about 27 cities in China started road business with Europe (Ghauri, 2017). Furthermore, about 873 km of railway track is ready to connect China with Thailand. 471 km railway track is under construction which will connect China with Africa. Indeed, OBOR connects three continents Africa, Asia, and Europe (Ghauri, 2017).

At the invitation of Chinese President Xi Jinping, the Prime Minister of Pakistan undertook seven days official visit to China starting from 12th May to 18th May 2017, to participate in the Belt and Road Forum (BRF) in Beijing. On 14-15, May 2017 OBOR forum in Beijing increases its importance, about 100 countries' delegations and 28 Heads of the States were present at the said occasion. Ahead of the BRF, both countries signed certain agreements worth US\$ 500 million. The details of the agreements are as under; framework agreement of the silk Road Economic Belt and the 21st century Maritime Silk Road initiative, agreement on economic and technical cooperation for Gwadar Airport, agreement for the establishment of Hevellian dry port, agreement on economic and technical cooperation for East Bay expressway (Malik, 2017).

After the global financial crunch, China was of the opinion to do something different and come close to the countries of Asia, the Pacific, and Europe. China is more interested in these regions as compared to the USA. China has remained a



military conflict zone for a long period of time. Still, now China is of the opinion to avoid such military conflicts and move forward in the comity of nations with a financial giant. Moreover, it will help China to connect these regions with the Chinese mainstream for the transportation of all kinds of goods (Xiao Hong, 2013).

LITERATURE REVIEW

Xiao Yu Pu and ChingLiu Wang (2018), in their article entitled “Rethinking China’s rise: Chinese scholars’ debate strategic overstretch,” have discussed China’s rise in the international scenario as a global giant. They said it is China’s strategy to rise on the global stage. China’s bold step to close the regional states to its own market is the step taken by China to close the regional states to its own market. It is important for China’s strategic as well as financial benefits. It’s China’s grand strategy which some Chinese academicians are against, but China’s foreign policy is continuously determined in the new era.

Peter Ferdinand (2016) discussed in his article “Westward ho—the China dream and ‘one belt, one road’: Chinese foreign policy under Xi Jinping” that China’s domestic and international policies have evolved during the undermining era. Amongst the youth, he promoted the concept of the ‘China dream’ on the domestic ground. On an international level, he pursued a vigorous land and maritime transportation plan between Europe and China, termed the ‘One belt and one road initiative’. Primarily the purpose of it was to promote the Chinese western part however, if it becomes successful, it will expand its relations to Eurasia. In this way, China can establish relations with other countries through these routes to counterbalance relations with the United States of America. Extreme cooperation on the part of the states binding states is required to succeed in this great ambition of the ‘One belt, one Road Initiative’.

Qingming Chen, S.K. Joseph, and Hamna Tariq (2018), in their research work “Betting Big on CPEC,” have thoroughly discussed that China and Pakistan are tested partners and they further solidifying their relations by implementing China Pakistan Economic Corridor (CPEC). CPEC is essential to the Belt and Road Initiative (BRI). Moreover, it is a great impetus for the development of both countries. Provinces of Pakistan will job for its people. For the success of this initiative, it is pertinent to give jobs to the locals. Pakistan and China signed 51



agreements, the initial cost of which was \$46b; however, this cost has reached \$62b. Pakistan is committed to its successful operation even after the changes in governments and an unfavourable external environment.

In the book *China-Pakistan Economic Corridor: A Game Changer* (2016). Li Xiguang discusses in his article titled “Building a New Civilization along the One Belt One Road Initiative” that the three phases project of the One Belt One Road (OBOR) initiative was proposed in the meeting of congress in Beijing in November 2015. The Chinese government developed this innovative idea for broader community interests to participate actively in the global economic race. Besides the economic motives, the Chinese government has mutual strategic interests in the OBOR region countries. This silk route economic belt focuses on jointly bringing China, Central Asia, Russia, and Europe.

The book “The Belt and Road Initiative: What will China Offer the World in its Rise” was written by Professor Wang Yewei, a Chinese professor. The author discussed this mega project's financing, infrastructure, development, and Chinese investment. The author tells that about 4.4 billion people from around 65 countries of the region will be covered by the OBOR project, with about \$ 1 trillion in cost. Moreover, the author explains that it was basically the extension of China’s dream of coming closer to the region’s countries. China is striving the introduction of new values of globalization. The author also discusses the different types of risks like political (domestic political risks and geopolitical risks) and security to this mega project.

PHASES OF THE CONSTRUCTION OF OBOR

OBOR is divided into two parts;

First is the land-based Silk Road Economic Belt. This will connect China with Central Asia and Eastern and Western Europe.

Second is the sea-based 21st Century Maritime Silk Road. It will connect China to South-East Asia, Africa, and Central Asia (Choudhury, January 21, 2018).

SILK ROAD ECONOMIC BELT

Silk Road Economic Belt (SREB) will link China with Central Asia, the Middle East, the Black Sea, Russia, and Europe. It further focuses on bringing together China, Central Asia, Russia, and Europe. Through Central and West Asia, SREB

will link China with the Persian Gulf, and the Mediterranean Sea. It will also connect China with the Indian Ocean, South Asia, and South East Asia (Xiguang, 2016, p.2).

MARITIME SILK ROAD

It is usually called 21 century Maritime Silk Road (MSR), and will link China with Africa and Europe. MSR is designed to Pass from China's coast to Europe by two routes; the first is through the South China Sea, and the second is from China's coast through the South China sea to the South Pacific (Xiguang, 2016, p.1-13). This will link China with the Mediterranean Sea, which is surrounded by most of the European and African countries; it means MSR is providing an opportunity to these countries, such as France, Italy, Spain, Albania, Yugoslavia, and Greece from Europe and Morocco, Algeria, Tunisia, Libya, and Egypt from Africa to enhance their trade with China.

MAP1

China's proposed New Silk Roads



Source: www.cfr.org/background/buiding-new-silk-road



Under the OBOR initiative, six economic corridors and one maritime route have been proposed:

1. New Eurasian Land Bridge (Connecting Western China to Western Russia)
2. China - Mongolia - Russia Economic Corridor (North China to Eastern Russia via Mongolia)
3. China-Central Asia - West Asia Economic Corridor (Western China to Turkey via Central and West Asia)
4. China - Indo-China Peninsula Economic Corridor (Southern China to Singapore via Indo-China)
5. China - Pakistan Economic Corridor (South Western China to and through Pakistan)
6. Bangladesh - China - India - Myanmar Economic Corridor (Southern China to India via Bangladesh and Myanmar)
7. Maritime Silk Road connecting Coastal China to the Mediterranean via Singapore-Malaysia, the Indian Ocean, the Arabian Sea, and the Strait of Hormuz. (Choudhury, January 21, 2018)

CHINESE GOALS BEHIND OBOR

It looks like the OBOR initiative is benefiting the entire region. Still, China also set certain goals behind building OBOR, they want to build a community of countries around it, and the said community will be of common interests, shared security, and mutual destiny. Furthermore, the Chinese expect OBOR that will lead to a “One Belt One Road Era” and then the “One Belt One Road Economy” (Xiguang, 2016, p.1-13). China is importing almost 60 percent of its oil and gas requirements, which indicates that its economic development depends on international oil and gas resources. To fulfill her energy requirements, China is importing Oil and Gas from Saudi Arabia, Iraq, Iran, Kuwait, Kazakhstan, Sudan, Oman, and Russia. All of these eight countries are located along OBOR (Xiguang, 2016, p.1-13).

The Chinese want to construct or upgrade ports in the Arabian Sea and Indian Ocean, via which China wants to enter into the two Oceans era, the Pacific and the Indian Ocean. The Ports along the MSR, such as Gwadar Port in Pakistan, Sri Lankan Port Hambantota, Chittagong port in Bangladesh, and Kyaukpyu Port in



Myanmar is providing a foothold to China in the two Oceans era (Xiguang, 2016, p.2), which is looking a major goal of China behind the construction of OBOR. As we know that the China One Belt One Road OBOR initiative consists of six lands and one maritime route. The detail of which is given below.

1. New Eurasian Land Bridge. (Connecting Western China to Western Europe)

The New Eurasian Land Bridge (NELB) length consists of about twelve thousand Kilometers (120000). It connects China to Western Europe and is a part of the China one belt and one road initiative. The train normally consists of 100 containers of 40-50 feet each. The volume of trade concern to the rail track is much lesser than the sea route because the Shanghai port in a day can handle the quantity as it meets in the NELB in months. It is important to note here that the NELB costs five times more than the sea route and half of the price of the air route, but on air, it takes two days, and NELB it took two weeks (Babones, 2017). So, it is not much economical as it was deemed and cannot meet the desired goal of economic benefits. However, it provides an alternative route for Chinese goods access to the western European market and also serves their political motives (Peng, & Heath, 1996).

2. China – Mongolia – Russia Economic Corridor (North China to Eastern Russia via Mongolia)

On this project, the foreign ministers of China and Magnolia met in January 2015 and expressed their desire for the China – Mongolia – Russia Economic Corridor. Both parties agreed to the memorandum because all three parties benefited from the railroad. All three will get rail access to the markets one another. For Magnolia. it is also beneficial that they will get alternatives for the mining exports. In this way, investment, infrastructure, labor, and tourism will enhance in these three countries of the region. All three countries see the plan with their own economic benefits as Russia wishes to have an alternative in case of any sanction from the European countries, and China sees its own hegemony. In the same way, Magnolia also desired infrastructure development and an extra export market (Otgonsuren, 2015). Magnolia is a landlocked country and makes the shortest route in linking China to Russia (Qaisar, & Khan, 2017). Since 2001 Magnolia



have the vision of building the railroad and improving the country's infrastructure, but no sound foreign investment was attracted at that time however, this time, the China – Mongolia – Russia Economic Corridor was an opportunity for Magnolia to realize its vision.

3. China-Central Asia – West Asia Economic Corridor (Western China to Turkey via Central and West Asia)

China-Central Asia – West Asia Economic Corridor (CCWAEC) is another important corridor of the OBOR initiative. It is an important part of the Silk Road Economic Belt of China OBOR. This crosses through five central Asian countries and seventeen western countries/regions. Moreover, it connects China with the Arabian Peninsula. The western and central Asian countries are rich in natural resources, greatly benefiting China's growing economy. The one belt and one road vision of China will have economic benefits and prosperity not only for China but for numerous countries in the region (Blanchard, 2017). This huge project (OBOR) of one trillion dollars has all the attention of the world because it will have implications in the political, Social, and economic spheres in the host as well as in the recipient countries (Mitchell, 2018).

4. China – Indo-China Peninsula Economic Corridor (Southern China to Singapore via Indo-China)

China – Indo-China Peninsula Economic Corridor is another important link as far as the OBOR initiative is concerned. The people of the two regions have close ties with each other. This economic corridor extends from China's Pearl River to Hanoi and Singapore (summers, 2016). This connects China with the Indonesian peninsula while passing from Vietnam, Malaysia, Myanmar, Thailand, and Cambodia. Like the other economic corridors, this is also aimed at improving the movement of people, goods, and other raw materials across borders. Besides economic benefits, the CPEC boosts strategic cooperation and enhancement between and among the region's countries. This economic corridor comes closer to the Association of Southeast Asian Nations (ASEAN) countries with China. In the last few decades, China's economy has exploded the overall markets of the world, and now it is at the point where it has to rely on external trade routes for the satisfaction of its trade.



5. China – Pakistan Economic Corridor (South Western China to and through Pakistan)

China – Pakistan Economic Corridor is another important corridor in China's OBOR initiative. This is a 46-billion-dollar project out of the overall one trillion projects of the China OBOR project. This project connects Gwadar, Baluchistan of Pakistan's southern part, with the western Chinese city of Kashgar. This is an important part of China's project OBOR because it gives access China to the warm water of the Arabian Sea, which is quite closer to the Persian Gulf. Moreover, this project will change Pakistan's growing economic and infrastructural development. CPEC's energy-generating enterprises are a blessing for the weak energy sector of Pakistan. This project will add about 11,110 Mega Watts (MW) of electricity to the national grid station by operationalizing 15 energy-generating projects. Some of the projects that have been operationalized added electricity of 3240 MW to Pakistan's national grid (Haroon, 2019). In infrastructural schemes, different projects are underway, i.e., roads, motorways, bridges, etc. These projects are the need of the hour for uplifting the meager economic structure of Pakistan.

6. Bangladesh – China – India – Myanmar Economic Corridor (Southern China to India via Bangladesh and Myanmar)

Bangladesh – China – India – Myanmar Economic Corridor connects China with Bangladesh, India, and Myanmar. The BCIM EC connects four countries of the region, which are very important because it consists of 9 percent of the world's geographical area and 40 percent of the world's population, which means a little less than the world population. This economic corridor brings these two biggest countries of the world by population, i.e., China and India, close to each other along with Bangladesh and Myanmar in energy, infrastructure, trade, investment, and agriculture (Islam, Hossan, and Matin, 2015). China's One Belt, One Road initiative was started in 2013 to connect it with its Silk Road vision. BCIM EC is also a part of this vision of China to connect the different aspects of these four countries in different spheres of life. Although there may be many concerns about this corridor from an overall perspective, it is beneficial for this region's smooth development and progress. This project may also be named the track-2 Kunming initiative among these four world countries. It was envisioned in the 1990s to



uplift the socio-eco region and infrastructure perspectives (Islam, Hossan, and Matin, 2015). Furthermore, to envision the 1990s vision, the meeting again in 2013 was held at Kunming in China. This region has not only consisted of 40 percent of the world's population of skilled and semi-skilled but also has 15 percent of share in world GDP.

7. *Maritime Silk Road connecting Coastal China to the Mediterranean via Singapore-Malaysia, the Indian Ocean, the Arabian Sea, and the Strait of Hormuz*

This is also a part of the China OBOR project, but the other routes were via land, and this is a sea route. This route captured most of the world trade routes and passes from the Persian Gulf, Indian Ocean, Gulf of Bengal, Yellow Sea, China sea, and the strait of Malacca, etc. in this maritime silk route, the South East Asian region connected with the China southern provinces. Furthermore, it connects the Pacific and Indian Oceans, connecting South East Asia, South Asia, and Africa. This means that China's maritime silk route project connects almost the sea route of this region. This route is very important not only for China growing economy and strategic importance but also important for the development of other connecting regional countries to enhance the volume of their trade, infrastructure, and economy.

WORLD BANK PERSPECTIVE

World Bank issued its long overdue report on China's OBOR initiative, which states that this project could reduce the poverty and enhance the development of the region involved in it. However, it further clarified that China has looked at this project's profound policy reforms and transparency. The web of this initiative could lift the 32m poor people to a good earning condition. The World Bank Vice president, however, said that it is a beneficial project for the region, but there are also some risks. He added that improving the data recording and transparency about debt, procurement, and observance of the social/ environmental standards will glorify it. Moreover, some countries of the region will get more benefits, and some will get less because of the infrastructure cost. For example, Pakistan, Thailand, and Kyrgyz republic could be able to get more than eight percent. Still, Tajikistan, Azerbaijan, and Magnolia could not get so much positive welfare from



the mega project. Most of the Chinese state own banks and enterprises are involved in the project the debt and loan procedures with the governments are mostly secret to be debated for the future analysis and repayment of the people of all the nations involved in this OBOR (The Dawn, June 20, 2019).

CONCLUSION

OBOR Initiative looks like the announcement of the New World Order, as the Chinese policy of opening up to both East and West makes China the center of Central Asia. Now OBOR is connecting three cotenants, i.e., Asia, Africa, and Europe, and bringing closer two major Economic Zones of the world, i.e., the European Economic Zone and the Asia Pacific Economic Zone. These developments provided grounds for a “One Belt One Road Economy,” Which is indeed a sign of the New World Order. Here two questions arise, the first one is about the Economic and Cultural hegemony of China along with OBOR, and the second question is about the security of OBOR. Answering the first question could be illustrated with the example of the United States (US), as the US has almost more than 900 security bases in the world to protect its hegemony and national interests in the world. But on the other hand, China adopts the policy of win-win cooperation based on the mutual interest of the stockholders, which indicates the positive intentions of the Chinese rather than economic or cultural hegemony. But on the other hand, the absence of security bases is a threat to OBOR, which needs to be resolved.

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