

AN IMAGE MAKEOVER OF THE BELT AND ROAD INITIATIVE

Relevant for: International Relations | Topic: India - China

As the Second Belt and Road Forum (BRF), reviewing progress of the [Belt and Road Initiative](#) (BRI), concluded in Beijing on April 27, China had reason to be satisfied. The summit segment was attended by 37 heads of state or government. The list included strategic partner Russia and almost all from Central and Southeast Asia, two important areas of BRI operation.

If the attendance from South Asia was somewhat disappointing (only Pakistan and Nepal at the leaders' level), South Asian countries, except India and Bhutan, joined various initiatives launched at the forum. The east coast of Africa, which is on the Maritime Silk Road, sent five leaders. Particularly in the context of recent U.S. tirades against the "predatory economics" of the BRI, it was significant that nine European leaders attended, including seven from the European Union. Japanese Prime Minister Shinzo Abe sent a special envoy, conveying that the BRI "is a grand vision with great potential". The UN Secretary General and IMF Managing Director were in attendance, the latter extolling the BRI's achievements, "from stimulating infrastructure investment to developing new global supply chains". China claimed participation from 150 countries at the forum, which included a CEO conference, where agreements worth \$64 billion were signed.

The Chinese leadership claimed the attendance rebutted allegations that BRI is a geopolitical tool and exploitative "debt trap" driving countries into dependence on China. It would be more realistic to see it as indicating China's economic clout and the desire of most countries to hedge their bets in the current turbulence in great power relations. Concerns about the viability of BRI projects have not dissolved; it is just that immediate benefits sometimes obscure the direness of future consequences.

Over the years, the structure and implementation of the BRI have attracted negative comment, including from some of the countries represented at the forum. There is a litany of complaints: that projects are selected as per Chinese priorities, with inadequate consultation with recipients; terms are agreed bilaterally and non-transparently with the leadership, and benefits do not trickle down to the population; contracts go to Chinese companies, are implemented by Chinese labour, with raw materials and products from China; most projects are over-valued and economically unviable; most financing is by Chinese loans on unrealistic terms, leading eventually to "debt traps"; foreign companies and private investment are spurned; corruption flourishes in the absence of transparency, labour laws are flouted and environmental compliance is lax. Above all, the BRI exhibits China's geostrategic ambition for economic dominance and political hegemony.

President Xi Jinping's speeches and the final forum communique silenced this criticism by promising a total makeover of the BRI. They declared that it will be guided by extensive consultation, joint contribution and shared benefits. Cooperation should be transparent, people-centric, green and clean, with zero tolerance for corruption. Project evaluation, tendering, bidding and implementation would meet international standards. The right of participating countries to define their developmental priorities would be respected, as also their laws, sovereignty and territorial integrity. Foreign investment would be welcomed. Economic, social, fiscal and environmental sustainability of projects should be ensured, with emphasis on debt sustainability. In short, it was a promise to transform the BRI, in one fell swoop, from all that it was into all that it should have been. The question is how this rhetoric will translate into action.

The other remarkable feature was the launch of the “Belt and Road” as an overarching framework for bilateral and plurilateral cooperation. China announced a clutch of “Belt and Road” scholarships, training courses and exchange programmes. Groups of countries launched cooperation mechanisms for ports administration, accounting standards, tax administration, banking, intellectual property, sustainable cities, energy and dispute settlement, among many others. Some of these mechanisms were facilitated by UN agencies. China listed 283 “deliverables” from the forum, comprising Chinese initiatives, bilateral and multilateral agreements, investment projects and financing arrangements. The message was the BRI is now more than a bunch of Chinese infrastructure projects; it is truly a “community of common destiny” (as Mr. Xi termed it in 2017) to reshape global governance – a sort of G-150, promoting multilateralism, globalisation, development and human rights, whose members could forge plurilateral cooperation under its umbrella.

All in all, it was a show of China’s self-confidence about its place in the world at a time of churn in global politics. The U.S. absence was barely mentioned, nor did the shadow of the increasingly strident U.S. campaign against China’s “militarism”, “predatory economics” and “technology theft” intrude into the bonhomie of forum proceedings. India’s absence was gracefully handled, with the Chinese Foreign Minister confirming that it would not affect the ongoing high-level India-China dialogue.

An important – potentially the most impactful – initiative of the BRI has gone relatively unnoticed. Mr. Xi announced in 2017 that it would enhance digital connectivity and integration of big data to build the “digital silk road of the 21st century”. Digital connectivity infrastructure is to be built in tandem with physical connectivity. This arouses U.S. (and wider) concerns that with its lead in 5G network technology and deep pockets, China will establish dominance of its 5G standards and equipment in Eurasia and beyond. The sudden image makeover of the BRI may well be intended to open up a more accommodating attitude to this technology insertion.

The debate in India about whether or not we should join the BRI will probably be reignited in the wake of its new avatar. The opposition to the China-Pakistan Economic Corridor determined absence at the forum. There is no specific opportunity for India in any other element of the BRI. India’s attitude to it has to be set in the larger picture of the relationship with China, which combines a strong economic partnership with major strategic challenges, further complicated by the global geopolitical flux.

P.S. Raghavan, a former diplomat, is Chairman of the National Security Advisory Board. Views are personal

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