Chapter 17
An Overview of China’s Belt and Road Initiative and Its Development Since 2013

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17.1 Introduction: What is BRI?

In September 2013, during a speech at Nazarbayev University in Kazakhstan, Chinese President Xi Jinping spoke of the need to “forge closer economic ties, deepen cooperation and expand development space in the Eurasian region.” This, he told the audience of staff and students, should be accomplished through a new “economic belt along the Silk Road.” A month later, in Jakarta, he expanded on these ideas and proposed an international “maritime partnership in a joint effort to build the Maritime Silk Road of the twenty-first century” (Xi, 2013b). Together, the land-based economic belt and the Maritime Silk Road became known as the Belt and Road Initiative (BRI).¹

Eight years on from Xi’s initial announcement of the multi-trillion-dollar initiative, approximately 140 nations have signed on as partners.² The BRI has become a buzzword in the media and among academics alike. Too often, however, discussion of the BRI lacks serious analysis, falling instead into the exoticising discourse of the Silk Road imaginary which China itself promotes.

¹ Originally known as One Belt, One Road, or OBOR. In English-language media, OBOR was later rebranded as the Belt and Road Initiative, which Chinese authorities felt better highlighted the inclusivity of the project. In other languages, however, the name has not changed. Across the Russian-speaking world, for instance, the initiative continues to be referred to as один пояс, один путь (One Belt, One Road).

² The Council on Foreign Relations offers a relatively comprehensive list of these countries and the years they joined (see Sacks, 2021). However, as Sacks notes, even numbering BRI participants can become a surprisingly complex task given that varying levels of participation exist. There are also cases where states within a country have signed on to the BRI independently of the federal government (e.g. the Australian state of Victoria).
According to Xi, the seed for the modern-day Belt and Road Initiative was planted in a distant, almost mythical past. Cultivated in his listeners’ imaginations through florid language and pithy proverbs, Xi’s discourse of a shared Eurasian history is one populated by heroic emissaries, legendary explorers, and fabled traders with their caravans and “camel bells echoing through the mountains” (Xi, 2013a). This was the world of such illustrious travellers as Zhang Qian—the Chinese envoy whose “journeys opened the door to friendly contacts … [between] Asia and Europe”—and Zheng He—the renowned Ming Dynasty navigator who made seven voyages to the Western Seas (Xi, 2013a). It was a world of openness and inclusivity, where the ancient silk routes connected “the birthplaces of the Egyptian, Babylonian, Indian, and Chinese civilisations, as well as the lands of Buddhism, Christianity, and Islam” (Xi, 2017). It was a world where mutual learning flourished alongside this trade, where Confucianism and papermaking travelled west beside porcelain and iron-work, and where astronomy and medicine came eastward together with spices and pomegranates.

But what does reviving the old Silk Road mean in practice? And what does China hope to achieve? This chapter aims to provide a brief but critical overview of the BRI’s evolution in Eurasia (including Central Asia, Eastern/Central Europe, and the European Union). The chapter begins by examining BRI’s coordination and funding mechanisms. The sections which follow explore the official aims of the BRI and the development of the various geographic corridors and thematic strands by looking at specific project examples. The chapter ends with a review of the key debates and criticisms surrounding the BRI, including concerns about China’s loan practices and geopolitical objectives.

17.2 Coordination and Funding of the BRI

The “Belt and Road Leading Group” in China’s Politburo is the highest coordinating body for the BRI. However, the many individual agencies and institutions involved in different aspects of the BRI can make it difficult to understand who is overseeing what. Moreover, the Chinese government does not publicly provide a list of all the projects which constitute the BRI or a list of companies officially affiliated with the initiative. As such, many individual Chinese companies and businesses working overseas seem to identify as part of the BRI when it suits them. Even in non-BRI signatory states, many Chinese projects still emulate the characteristics of the BRI. This lack of clarity further compounds public misconceptions around the initiative. However, to better understand the BRI, three key points should be emphasised.3

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3 These points build on several articles written by Raffaello Pantucci, Senior Fellow at the S. Rajaratnam School of International Studies in Singapore and Senior Associate Fellow at the Royal United Services Institute in London. Pantucci lists three misconceptions which inhibit politicians and researchers’ understanding of the BRI in Central Asia: (1) BRI is not a monolith (each strand is different and at different stages of development, etc.); (2) the BRI is not a giant aid project; and (3) the BRI has a long timeline (See, for instance, Pantucci, 2017).
Firstly, the BRI is not a giant aid project, nor has the Chinese government ever professed it to be. Secondly, the BRI is not one project or even a series of projects but a grand vision (or even a “grand strategy”) building towards 2049, the 100th anniversary of the Chinese Communist Revolution. Third, and finally, numerous projects under the BRI began long before the BRI was announced, and some were already complete prior to the launch.

In conjunction with the BRI’s launch, China led the establishment of two new multilateral development banks: the New Development Bank (aka the BRICS Bank, founded in 2014 by the BRICS countries with an authorised capital of $100 billion USD) and the Asian Infrastructure Investment Bank (created in 2015 with 57 founding members and an initial capital of $100 billion USD). With significant experience in major infrastructure projects within China and overseas, China’s three policy banks have also played an important role in financing Chinese companies involved in BRI projects, as well as the Silk Road Fund, a sovereign wealth fund established in 2014 (Standard Chartered, 2018).

China’s state-owned enterprises often operate in consortiums with sovereign wealth funds in financing BRI projects. COSCO Shipping, China Merchants Port Holdings, and China Overseas Port Holding Company are major players in the acquisition and management of ports such as Gwadar, Hambantota, Djibouti, and Piraeus. Likewise, oil and gas field development and pipeline construction under the BRI is managed by the China National Petroleum Corporation, China National Offshore Oil Corporation, and other state-owned enterprises. With relatively little private investment in the BRI, decisions by sovereign wealth funds and state-owned enterprises are often seen as “intertwined with geopolitical objectives” (Sejko, 2017; see also Kenderdine and Han, 2018 for a more extensive treatment of this dynamic).

17.3 Official Aims of the BRI

While the BRI has received significant media attention since Xi’s 2013 speech, it was not until two years later that the initiative’s aims were officially laid out in writing. In a paper issued by China’s National Development and Reform Commission (NDRC) in 2015, five cooperation priorities were presented, with the first being policy coordination. In short, policy coordination refers to the “soft connectivity” that makes concrete infrastructure projects under the BRI possible. Policy coordination means synergising China’s BRI with the development plans of other countries—e.g. Russia’s “Greater Eurasian Partnership,” Turkey’s “Middle Corridor,” and Kazakhstan’s “Bright Road” initiative—as well as integrating the BRI with various multilateral visions such as the Master Plan on ASEAN Connectivity 2025 (see Belt & Road Forum, 2019).

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4 BRICS is a multilateral grouping representing Brazil, Russia, India, China, and South Africa.

5 “Policy banks” here refers to the three banks established by the State Council of China in 1994 to implement the government’s economic policies: the Export–Import Bank of China (Exim), the Agricultural Development Bank of China (ADBC), and China Development Bank (CDB).
The second BRI cooperation goal is facility connectivity. This priority area promotes the creation of “an infrastructure network connecting all sub-regions in Asia, and between Asia, Europe, and Africa,” which should, at the same time, offer green and low-carbon solutions to connectivity (NDRC et al., 2015). For the BRI, this connectivity is both physical—roads, railroads, seaports, airports, oil and gas pipelines, transcontinental submarine optical cables—and, increasingly, digital.

In the process of improving connectivity, the BRI’s third stated aim is to facilitate unimpeded trade. In practice, this aim means pursuing free trade agreements; creating special economic zones; enhancing “customs cooperation such as information exchange, mutual recognition of regulations, and mutual assistance in law enforcement”; and reducing non-tariff barriers to trade (NDRC et al., 2015).

The pursuit of unimpeded trade is underpinned by the fourth aim: financial integration. The NDRC (2015) provided a long list of aspects required to achieve this fourth priority, including establishing new institutions, such as the Asian Infrastructure Investment Bank and BRICS New Development Bank, and internationalising the renminbi.6

The fifth and final aim of BRI is to strengthen people-to-people bonds. As Xi (2013a) noted in his Nazarbayev University speech, “amity between the people holds the key to good relations between states.” The Chinese government realises that attracting the general population to Chinese culture and values is integral to the success of BRI, and China is therefore devoting significant resources to the soft power aspects of the initiative.

17.4 BRI Corridors and Strands

Early rhetoric by the Chinese government envisioned BRI projects as existing within six overland corridors which merge with key ports along the Maritime Silk Road. These six corridors include (1) The New Eurasian Land Bridge, (2) China–Central Asia–West Asia, (3) China–Mongolia–Russia, (4) China–Pakistan, (5) China–Indochina Peninsula, and (6) Bangladesh–China–India–Myanmar. Given that the focus of this edited volume is on the OSCE member states, this section will concentrate on the first two of these corridors.

The New Eurasian Land Bridge Economic Corridor is vital for the success of the BRI because the Chinese government aims to increase facility connectivity between the industrial centres in China and the main harbours and logistical centres in Europe, such as Greece, Poland, Germany, and the United Kingdom. At the heart of this route is the cross-continental railway that connects China to Western Europe via Kazakhstan, Russia, Belarus, and Poland. By modernising the existing rail infrastructure, this corridor offers a faster alternative to container ship transport and promises

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6 The renminbi (RMB) is the official currency of China, the basic unit of which is known as the yuan. In practical terms, internationalising the renminbi refers to China’s long-term goal of the RMB becoming a reserve currency, minimising Chinese currency risk (see Lai, 2015).
to invigorate the landlocked economies of Central Asia in addition to important European dry ports like Germany’s Duisburg.

Another vital part of this corridor is the Western China—Western Europe Highway, or “Meridian Highway,” which likewise travels through Kazakhstan, Russia, and Belarus. When completed, the Meridian Highway would allow trucks to travel across the continent in just eleven days, compared to fifteen days by rail or thirty to fifty days by sea. Linked to the aim of policy coordination, the Meridian Highway has been promoted as one of the BRI’s thirty-nine cooperation projects with the Eurasian Economic Union (see Clarke & Rice, 2020). However, while construction of the Kazakhstan segment began back in 2009 (long before both the Eurasian Economic Union and BRI came into existence), the segment through Russia has been stalled for years, with a proposed routing only decided in 2019.

To streamline and optimise global trade (see Aim 3), this corridor also is supported by Chinese investments in key ports, special economic zones, and industrial parks. Situated at one of the main railway crossings between Kazakhstan and China, the Khorgos Special Economic Zone and dry port is an often promoted project—though personal fieldwork suggests that Khorgos is far from the “new Dubai” various media outlets have touted it to be (see Rice, 2020). On the European side, China state-owned COSCO Shipping—the world’s largest shipping company—has controlling stakes in the ports of Piraeus, Valencia, Bilbao, and Zeebrugge, as well as minority stakes in Antwerp, Las Palmas, and Rotterdam.

The New Eurasian Land Bridge is closely connected to the China–Central Asia–West Asia Economic Corridor, which likewise aims to reduce Chinese reliance on maritime routes through the Malacca Strait. Unlike the more northerly New Eurasian Land Bridge, however, this corridor focuses on the southern route linking China to Europe via the Central Asian republics, Iran, the Caucasian republics, Turkey, and the Balkan states (i.e. bypassing Russia). Other strategically important projects in this hydrocarbon-rich region are the Kazakhstan–China oil pipeline and the Central Asia–China gas pipeline. In addition to energy, the Chinese government has again placed emphasis on road and railroad connectivity in this corridor. Many key national and regional projects, such as the Centre–West road in Kazakhstan ($1.1 billion USD total cost) and the Angren–Pap electrified railway in Uzbekistan ($1.9 billion USD total cost), have been branded as BRI projects at one stage or another and have received financing from Chinese policy banks and/or other BRI-related funding mechanisms. In November 2019, China Railways Express took its maiden voyage from Xi’an, China (advertised by the Chinese government as the symbolic starting point of the historical Silk Road), to Europe through Istanbul’s Marmaray undersea tunnel, cutting travel time by eighteen days compared to cargo ship and demonstrating the potential of these overland transport routes (Hatipoglu & Gokmen, 2019).

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7 As of 2021, the Eurasian Economic Union comprises member states Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan.

8 For a more comprehensive list of BRI road and railroad projects in the Central Asian republics, see Aminjonov et al. (2019).
However, whether these rail routes, which are sometimes referred to in BRI discourse as the **Iron Silk Road**, have lived up to their political and media hype is another matter. Kenderdine and Bucsky (2021), for instance, point out that the volume of rail freight traffic between China and Europe reported by the European Union falls far below that claimed by China. Nevertheless, the railway is strategically important in offering China an alternative to Malacca—the narrow strait between the Malay Peninsula and Sumatra through which much of China’s trade transits. Addressing this potential chokepoint (sometimes referred to as the “Malacca Dilemma”) is even more crucial given that most of China’s energy imports currently pass through the strait.

In recent years, the focus of the BRI seems to be shifting away from specific geographically based corridors and more towards global thematic strands, including the “Human,” “Green,” “Health,” and “Digital” Silk Roads. As such, it is also useful to explore how these different strands have developed in practice and look at a few project examples in Eurasia.

As discussed in the section on BRI priorities, the Chinese government acknowledges that popular support is a key factor in the overall success of the initiative; the **Human Silk Road** therefore plays an important role in developing these people-to-people ties and cultivating positive perceptions of China. Sometimes referred to as the Cultural Silk Road, this strand of the BRI now incorporates the Confucius Institute programme—Chinese government-sponsored centres for Mandarin language and Chinese cultural studies which were first introduced in 2004. As of 2019, there were 548 Confucius Institutes and 1193 Confucius Classrooms operating worldwide. In addition, the Chinese government offers thousands of scholarships for foreign students to study in China, with many intended for those from BRI countries. The Chinese government also sponsors various festivals, forums, international performances, and other events under the BRI—such as the 2020 Silk Road Week—which are aimed at further strengthening cultural ties.

Building on the idea of “socialist ecological civilisation” which was incorporated into the Constitution of the Chinese Communist Party (CCP) in 2012, the **Green Silk Road** is one more way China is attempting to cultivate positive public opinion. As governments increasingly struggle to ignore the loud segments of society calling for climate change to be addressed, China aims to transform its image from one of the world’s worst industrial polluters to that of an environmentally friendly change-maker. At the First Belt and Road Forum in 2017, Xi urged the BRI signatories to “pursue the new vision of green development and a way of life and work that is green, low-carbon, circular and sustainable” in line with the UN 2030 Agenda for Sustainable Development. The Chinese government encourages renewable BRI projects through several mechanisms, including the issuing of so-called “green bonds” and “green loans” by Chinese policy banks. In addition, the Green Silk Road Fund was launched in 2015; this venture is unique among BRI investment funds because it is predominantly led by Chinese private entrepreneurs rather than the state. Notable examples of green projects connected with the BRI include the German Meerwind offshore windfarm (in which the Chinese state-owned Three Gorges Group holds an 80% stake) and the Kaposvár 100 MW Photovoltaic Power Plant (Hungary’s largest
The Health Silk Road strand of the BRI was first mentioned in 2017 when Xi signed a memorandum of understanding with the World Health Organisation, promising to make health a priority of the BRI. This rhetorical extension of the BRI received little attention prior to the emergence of the COVID-19 pandemic. However, since the start of 2020, the Chinese government and Chinese companies, often under the auspices of the BRI, have donated (and sold) personal protective equipment and other key medical supplies—which later included China-manufactured vaccines—around the world. It remains to be seen whether these efforts have been enough to deflect from the negative global attention China has received surrounding the origins of the virus.

Like the Health Silk Road, the Digital Silk Road (DSR, also referred to as the Cyber Silk Road) has taken on renewed importance in the wake of COVID-19. Announced in 2015, the DSR has a vague mandate, much like the other BRI strands. The Council on Foreign Relations has described DSR-related investments as helping to meet a need in developing countries across the world for cheap, high-quality resources in “telecommunications networks, artificial intelligence capabilities, cloud computing, e-commerce and mobile payment systems, surveillance technology, smart cities, and other high-tech areas.” Some democracies, however, have raised concerns that China’s DSR may lead BRI countries to adopt China’s own “model of technology-enabled authoritarianism” (Council on Foreign Relations). In 2019, for instance, Chinese company Hikvision supplied Kazakhstan with the same facial recognition technology that China openly uses to track minorities in Xinjiang (Jardine, 2019).

17.5 Controversies Around the BRI

The development of the BRI has received mixed reactions from foreign governments, academics, and local people. Claims of so-called “debt-trap diplomacy” are commonly levelled against China by its critics. The term “debt-trap diplomacy” was first promoted by Indian geostrategist Brahma Chellaney in early 2017. Chellaney (2017) raised concerns about the lack of transparency around China’s loan conditions, arguing that China is offering excessive credit with the intention of extracting economic or political concessions when the debtor country is not able to repay the debt. Parker and Chefitz (2018, p. 1) identified three primary strategic goals behind this technique. These include “filling out a ‘String of Pearls’ to solve its ‘Malacca Dilemma’ and project power across vital South Asian trading routes; undermining and fracturing the U.S.-led regional coalition contesting Beijing’s South China Sea

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9 The so-called “string of pearls” hypothesis suggests that China is developing a line of commercial and military facilities from its eastern seaboard to the Horn of Africa, which China could use in controlling key maritime chokepoints as well as in cutting off India.
(SCS); and enabling the People’s Liberation Army Navy (PLAN) to push through the ‘Second Island Chain’ into the blue-water Pacific.”

The Hambantota port, which has become a major BRI project in Sri Lanka, is often cited as an example of these debt-trap diplomacy tactics. During the final years of the Sri Lankan civil war in the mid-2000s, China stepped in and offered funding to develop Hambantota (Sri Lankan President Rajapaksa’s hometown) when no other country or international organisation would. However, rather than coming in as foreign direct investment, the project was “financed by Chinese loans and built by a Chinese company with Sri Lanka’s government on the hook for the project’s debt obligations” (Parker & Chefitz, 2018, p. 9). When the initial project failed to generate profits for the Sri Lankan government, new Chinese loans were signed to further develop Hambantota, reaching a total of more than $8 billion by 2017. Unable to repay this debt, Sri Lanka granted China a 99-year lease on the port and tax concessions for Hambantota’s further development.

Similar debt-for-infrastructure deals have taken place across the participatory states of the BRI. With COVID-19 taking a toll on the world economy, BRI signatories like Tajikistan and Kyrgyzstan, which were already in significant debt to China prior to the pandemic, are struggling further with repayments (see van der Kley, 2020). Although a Boston University data set gained significant attention in 2020 for suggesting a steep decline in Chinese policy bank lending to BRI economies, Kenderdine and Yau (2020) refute this claim and argue that policy banks are continuing to lend large amounts, just in a different manner than before.

In addition to debt concerns, it has become increasingly evident that there are political conditions attached to cooperating with China, despite China’s claim to be offering “no strings attached” loans. One condition is the recognition of the One China Policy. There also appears to be a tacit “no questions asked” rule over the mass internment of Muslim minorities (including ethnic Uyghurs, Kazakhs, and Kyrgyz) in camps in China’s Xinjiang region. China has claimed these are “re-education facilities” for radical Islamists, most of whom have now “graduated” (BBC, 2019); critics, like the outspoken Adrian Zenz, claim these are concentration camps where “genocide” is taking place (Zenz, 2021). When, in October 2021, a joint UN statement by 43 states criticised this mass detention and called for immediate investigation, many BRI countries either remained silent or signed a counterstatement praising China’s treatment of minorities in Xinjiang (Aljazeera, 2021).

In Europe, where around 18 EU countries have signed bilateral agreements with China under the BRI, some states are now raising concerns over cooperating with an autocracy. In 2021, Lithuania, which a few years previous had signed a memorandum of understanding on the BRI, left the 17 + 1 bloc between China and Eastern/Central Europe due to worsening relations (Lau, 2021). More recently, Lithuania’s decision to allow for the establishment of Taiwan’s first representative office in Europe prompted

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10 For a rebuttal to the “debt-trap diplomacy” argument, see Brautigam and Rithmire (2021).
11 2021 is the third consecutive year in which a UN statement and counterstatement on the Xinjiang issue have been released.
a diplomatic row which ended in China and Lithuania recalling their respective ambassadors (Reuters, 2021).

Fears about Chinese expansionism are widespread through the Eurasian region, especially in the Central Asian countries which border China. Despite strict protest laws in most of Central Asia, numerous demonstrations against Chinese investments have taken place in recent years. In Kazakhstan, the largest rallies occurred in 2016 in response to a Land Code change which would have allowed Chinese and other foreign companies to lease Kazakh agricultural land for up to 25 years at a time (the Kazakh government eventually backed down on this). The Xinjiang issue also plays a significant role in perceptions of China in the region, given that many Kazakhs and Kyrgyz have familial ties to Xinjiang, particularly to Ili and Kizilsu prefectures.

Ecological degradation by Chinese firms has been another rallying point for protesters. While grand visions of a Green Silk Road leading to “ecological civilisation” may be espoused in Xi’s speeches, the reality is that China has funded numerous BRI coal projects right alongside the renewable ones which it so widely promotes. The BRI is also closely connected with China’s policy of external industrial transfer and, in practice, this policy has meant moving some of the most polluting industries—such as cement production—to neighbouring regions like Central Asia (see van der Kley, 2016).

Even in Pakistan, China’s so-called “Iron Brother” and staunchest ally in the South/Central Asia region, popular backlash has been strong. In August 2021, demonstrations in the coastal city of Gwadar—a key node in the BRI—forced port operations to temporarily shut down. While largely peaceful, the August protests came in the wake of a suicide bombing targeting Chinese nationals in Pakistan and another attack targeting China’s ambassador to the country (Baloch, 2021). Xi Jinping and Pakistan’s Prime Minister Imran Khan may have committed to fighting any threats to their ironclad friendship (Dawn, 2021); however, as China has witnessed in Pakistan and other countries, the biggest challenge to the BRI may not be external threats but internal perceptions.

17.6 Conclusion: The Future of the BRI?

Chinese President Xi Jinping’s vision of reviving the ancient Silk Road has come a long way since 2013. On the eve of its 10th anniversary, the BRI has grown from its roots in a Kazakh university speech to a worldwide initiative encompassing 40% of global GDP and 63% of the world’s population. The branches of the BRI reach from Xi’an to Tripoli and Vladivostok to Lisbon. In the process of building the BRI, China has further established its image as a global superpower, the CCP has better secured its strategic backyard, and Chinese companies have gained dollars (or, rather, renminbi). To quote a Chinese proverb, “if you want to get rich, build roads.” Xi has certainly done just that.

However, Xi Jinping’s initiative of the century has also faced significant backlash from critics. “Debt-trap diplomacy,” political conditions, ecological degradation,
other issues have sown doubts over China’s intentions and soiled the BRI’s reputation for some. The apparent attractiveness of the Chinese development model has allowed the Belt and Road to expand to this point; however, whether it will remain attractive will depend on the extent to which BRI projects can deliver economic benefits to the citizens of participating countries in the coming years.

References


