Case Study 1

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AESHM 421

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1. One of the initial motives and purposes of China to initiate the Belt and Road Initiative(BRI) is to help poorer countries build their infrastructure so that they are able to contribute to the economy around the world. Part of this investment is also to help these smaller and poorer countries avoid falling into the middle-income-trap. This is a phenomenon in which countries are trapped by their low-income generation and are not able to advance economically. The BRI would provide the funds that these countries need to build the infrastructure that they cannot afford, like railroads or bridges. These infrastructures would potentially benefit both parties because more efficient trade routes can potentially be made. The BRI also helps China to develop new investment opportunities, cultivate export markets, and boost Chinese incomes and domestic consumption. While helping other countries China is also able to boost its economy. At the same time, China is potentially claiming economic and military locations in strong positions around the world. China is able to assert its dominance over smaller countries that are now in debt to China. An example would be the shipping port in Sri Lanka that was taken over by the Chinese because the Sri Lankan governments could not pay the debts so they handed over a whole port and also 15,000 acres of land to China.
2. The Belt and Road Initiative is a very strategic plan for China to settle its domestic problems as well as build more economic and political opportunities. By building more infrastructure and expanding trade routes they are also able to provide job opportunities to its people as well. This has become somewhat of a priority in Xin Jiang where economic development in the area would also solve the violent separatist threat there. By expanding economic advancements in China and also in other countries China is also able to help all of its allied countries to boost their economy. this would also be beneficial to China since they would also be trading with these countries. Another potential opportunity that has opened up for China is the potential opportunity to secure a long-term energy supply. China consumes large amounts of oil and gas so expanding its trade routes to secure more energy would also be very beneficial in the long term. One example would be the China and Gwadar trade route which would open up opportunities for China to import oil and gas from middle eastern countries. Besides that, the BRI has also provided China with the opportunity to assert political and military power to smaller countries that are now in debt to China. This can be seen in various countries that have joined the BRI, an example would be the country of Djibouti which holds China’s only overseas military base. Experts have speculated that China may have military intentions for ports that have been taken over by them like the Sri Lankan Port of Hambantota. If these claims are true then the Belt and Road Initiative would look more like the conquering of China in world markets.
3. The Belt and Road Initiative may have some challenges to face since people are starting to notice some of the underlying intentions of China. Oppositions are created by various countries because BRI looks good on paper but in reality, there are many loopholes that would allow China to assert its dominance. What initially started as a big economic opportunity among countries and allies, has now become an opportunity for China to claim power and smaller countries barely being able to pay their debts to China. With situations like these happening China might be viewed as the villain in the eyes of the public. China would have to fix the image of BRI before the media brands it as a scheme to take over the world markets. The debts that are created in smaller countries are a result of the money provided by BRI being taken advantage of. Like a corruption scandal that happened in Malaysia where the previous government partially redirected the money that was acquired by BRI to funds controlled by him. These countries that have built strong ties or are in debt to China are at a disadvantage because they are not able to seek help from China’s oppositions like the US. In fact, they are now vulnerable to those countries because they have chosen to side with China.
4. The initiation of BRI was a very wise political decision for China. Not only has China improved its economical standings it has also used BRI to assert power over smaller countries that are now in debt to them. Having power over these countries would provide China with the ability to make demands that would politically benefit China. On top of that China would also have control of strong strategic military and trade positions in these countries. Examples of these events can already be seen happening in several countries like Pakistan, Maldives, Mongolia, Djibouti, and a few others. With China’s “rule” over these countries China continues to expand its economy and when there is money, there is power. China would be on track to be the biggest superpower in the world Other countries however it might not be a wise political decision to have joined the initiative. These countries that have fallen into some trouble and are now in debt to China would not benefit from this initiative at all. Not only they have created a large debt that they have to pay but also placed themselves in a vulnerable position. These countries that have chosen to fully side with China are now unable to seek help from countries that are in opposition to China or else they would be on bad terms with China. This places these countries in a situation where their only choice would be to either pay off their debt or to give China the right to assert power over them. This would mean surrendering trading ports or military positions to them as well.

References

*What is the Belt and Road initiative? | CNBC Explains*. (2019, February 21). [Video]. YouTube. <https://www.youtube.com/watch?v=ACbbz0rOv6A&ab_channel=CNBCInternational>