The Belt and Road Initiative in the Shadow of Competition Between China and the US

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IN 2013, CHINA PUBLICLY UNVEILED ITS Belt & Road Initiative (BRI), which consist of a project to connect China to other parts of the world, such as Europe, Asia and Africa, by land and sea. In fact, China’s goal in building such a project is to expand its trade links to the rest of the world and to find a common ground in the global equation. Generally speaking, it is a move towards establishing a new hegemony and engaging in close competition with the United States. This project is supposed to connect China to Europe through Iran, which is why the Middle East resides at the center of this project.

China has introduced the BRI to the global community as a 100-year-old project. It seems that the main goal of this project has to do with economic issues, and China intends to somehow control the region’s economy with the new Silk Road project. Apart from economic control, many of these countries are also politically and culturally inclined towards China and will become potential partners. China has been pursuing a change in the world economic map for many years. The route that turns the ancient Silk Road into a modern transit, trade and economic corridor stretches from Shanghai to Berlin. The project is the largest economic development project in the history of the world, which, of course, has further raised the concerns of China’s rivals, to the point that the Europeans signed an infrastructure agreement with Japan to counter the BRI strategy. The deal is part of a “connect to Asia” strategy launched by the European Union last year to allay international concerns about the Chinese new Silk Road (Emmott, 2019).

The BRI is considered to be a modern and improved design of the ancient Silk Road. It is also one of the manifestations of China’s emerging power that connects the three continents of Asia, Europe and Africa. The New Silk Road is an investment project in the economic infrastructure of 71 countries (Belt and Road Initiative, 2020) and the development of two major trade routes, the “Silk Road Economic Belt” and
the “21st Century Maritime Silk Road”, which are is still being developed and expanded. The project aims to enhance China’s position in the world’s trade and economic equations, and to create an international transit network centered on China, enabling China to deliver its goods by land and sea to countries on all three continents. The “economic belt”, which is a land project, connects China through Central Asia and the Middle East and then to Eastern and Western Europe by Kyrgyzstan, Kazakhstan, Uzbekistan, Iran, Turkey, Ukraine, Poland, Belgium, France and finally Italy (Countries of the Belt and Road Initiative (BRI), 2020). The 21st Century Maritime Silk Road connects China by sea to Southeast Asia and Africa and even Europe through Greece and Italy in the northern Mediterranean, and includes Vietnam, Malaysia, Indonesia, Sri Lanka, Pakistan and Kenya.

Highlight Design Features

Any successful global development strategy is to be based on communications and transit lines in order to strengthen trade cooperation. The full implementation of this plan will change the business structure of the world, and for this reason the BRI is called the project of the century. It accounts for 62.3% of the world’s population, three-quarters of the world’s energy resources (Bruni, 2019: 5), and 30% of GDP (Shepard, 2020). So far, 126 countries and 29 international organizations have signed 173 cooperation agreements with China in line with this plan (Xinhua, 2019). By 2027, the total value of the projects envisaged in this plan is 1.2-1.3 trillion, although estimates on total investments vary (Chatzky & McBride, 2020). China Development Bank has already allocated $900 billion for more than 900 projects in 60 countries (Cai, 2017).

The BRI’s Political Goals

The BRI is a win-win plan and all parties, including China and the countries on the route, will benefit from it; at the same time, involved countries dependence on China is increasing. It will increase China’s freedom of diplomatic maneuver and is therefore one of the manifestations of China’s emerging power. It will certainly boost China’s international power and political influence in the world, especially in Asia. Given the positive economic effects of its implementation, it will change the economic and political future of Asia. It could, along with China’s military power, lead to its hegemony in East Asia, and ultimately enable China to become a major power in the world economy by overcoming the onshore and offshore trade routes in Eurasia. Moreover, the BRI has remarkably increased China’s soft power among various countries along the land route (Voon & Xu, 2020: 122).
Nevertheless, it is doubtful that China could exert a soft power of similar influence to that of the US (Beeson, 2018: 250). It rather remains an initiative to strengthen the trend towards a multipolar world, the globalization of the economy, cultural diversity, the wider use of information technology, and the strengthening of a global free regime within the framework of open regional cooperation.

**The BRI’s Political Goals**

It is a great platform for economic cooperation. Some see it as a development path in line with China’s model of globalization, which seeks to re-shape the world economic order and place countries and companies on China’s economic trajectory. Some consider it as the greatest Marshall Plan of China and the economic route of the century (Boucher, 2019). It is the largest investment project ever undertaken by a single country ($900 billion). The main economic goal of the BRI is to deliver Chinese-made goods to the largest number of countries in the world in the shortest time and cost. It increases traffic, develops tourism and expands investment infrastructure.

It changes the economic structure of the world and increases the volume and value of trade in the world. It provides a large market for Chinese manufacturers and adds to China’s strength as a large economy. It will have a positive impact on the economies of Asian countries and pave the way for the emergence of a strong Asia. Undoubtedly, it facilitates the flow of communication and transportation of goods from China to Europe, Asia and Africa and vice versa, and generates lively competition in the field of transportation. As of 2017, more than 5,000 cargoes have been transmitted and 33 cities in China and 33 cities in 12 European countries are mutually connected within the BRI’s framework (Ohashi, 2018: 91).

China seeks to connect poorer areas within the country to foreign markets, too. Thus, one could acknowledge that linking parts of Xinjiang or Hunan to foreign markets represents an important part of the Chinese rationale for implementing this project. Chinese strategic thinkers have sought to increase China’s influence as the United States expands its influence in Southeast Asia and competes with the United States over the alliances of countries such as South Korea, Japan, Singapore, Thailand and the Philippines. 46 sub-Saharan African ports with financial, construction, or operational involvement by Chinese entities have been identified (Devermont, 2019). However, Chinese experts believe that these ports are fundamentally different from their American counterparts, because the latter ones are designed to defend against US hegemonic policies.

**The BRI’s Advantages**

The BRI will develop the infrastructure of the involved countries along the route and invest in and modernize their economies. It is a new opportunity for countries along the way to ex-
pand their trade in Asia, Europe and Africa. A network of railways, roads, pipelines, power plants, seaports, airports, railways, telecommunications, digital networks and shipping routes is being built that directly connects China with countries on three continents: Asia, Africa, and Europe (Dezenski, 2020). One way to bridge the infrastructure gap between developed and developing countries is to help them grow economically and boost international trade. In addition to bilateral talks with countries and governments, China also has regional or international dialogue mechanisms with international and regional organizations such as the “China and Eastern Europe (1 + 16)” referring to the 16 Central and Eastern Europe (CEE) states with which China is developing ties: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia (Kavalski, 2019). Africa is also a huge market for Chinese products and could greatly add to China’s strength as a major economic power and exporter. The economic benefits of implementing the BRI will enable countries along the way to establish better political relations, benefit from each other’s trade, and develop their infrastructure.

Connections and interactions among the peoples of African countries will increase and the exchange of cultures will become easier. In this regard, China has considered 39 African countries for inclusion to the Belt and Road Initiative, ranging geographically from Tunisia to South Africa. Nevertheless, China is now the creditor of only three countries: Congo-Brazzaville, Djibouti, and Zambia (Risberg, 2019: 44).

The BRI’s Obstacles

Opponents of the BRI, especially the United States, see it as a colonial scheme that indebts countries to China, with many target countries unable to repay their debts. Disagreements and conflicts between the countries along the way, such as China’s disputes with India or the India-Pakistan disputes, more specifically ethnic, religious and border disputes and the lack of a dynamic and complementary economy constitute major obstacles to this project. Moreover, New Delhi has asserted that the BRI will violate India’s sovereignty and territorial integrity (Chakma, 2019: 184). Other obstacles include trans-regional conflicts –especially the long-standing rivalry between India, Russia and the United States with China and their opposition to China expanding its influence to other regions. The United States has accused China of investing billions in infrastructure projects in developing countries to expand its geopolitical influence and gain a competitive advantage over the United States.

Almost all American politicians have claimed that China has sought to use the BRI to export its surplus capacity in construction materials, engineering services, and perhaps even labor (Chance, 2016: 10). Therefore, many have described the project as “neocolonial debt trap diplomacy”, in which China uses unpayable debts to dominate less powerful countries around the world (Khanna, 2019).
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American officials failed to acknowledge the BRI as an economic opportunity and strongly recommend their allies not to join the plan and to even consider it as a threat (Schuman, 2019). Moreover, the US is likely to soon accuse the BRI of lacking transparency and environment safeguards. In the near future, the US may even impose sanctions on private-sector actors involved in the project. Additionally, the US can prevent advanced economies from cooperating with the BRI (Zhang, 2019). Although the US and China had cooperated for self-interested reasons in the past (Feigenbaum, 2020), in the present era they disagree over various geo-economic and geo-strategic issues which may eventually lead to the failure of the BRI. The Sino-American trade war is a clear indication of increasing tensions between both parties. This war has led to an escalation of tariffs on American and Chinese goods. It has certainly had a significantly negative impact on global trade (Iqbal, Rahman & Elimimian, 2019: 223).

Nevertheless, “Andrew Small”, a senior transatlantic fellow on the Asia program at the German Marshall Fund of the United States, told Yahoo Finance: “The problem has been that [U.S. agencies] haven’t really had the means to mobilize resources to compete” with China regarding BRI (Swaminathan, 2020). Therefore, it is suggested that the US administration needs to recognize the BRI in the US-China trade agreement as a pragmatic move to increase the likelihood of cooperation, not confrontation (Meltzer, 2017).

The United States needs to engage with the BRI in a number of significant ways. The participation of the US administration, US-led institutions, and US companies may lead to higher environmental, labor, and quality standards in the developing world. Setting these standards for the BRI would advance US interests and leadership (Zhang, 2019).

Contrary to these recommendations, US policies, especially during the Trump era, have resulted in the US retraction and China’s expansion (Silverstein, 2019). While this situation may not necessarily lead to military clashes, the possibility of war could not be ruled out. It seems essential for China to respect existing multilateral institutions while seeking to develop new regional arrangements (Loong, 2020).

### China’s Actions Within the Framework of the BRI

The Chinese have taken a series of steps to make progress in the Silk Road project including:

**Policy Coordination:** Over the past five years, China has been in full coordination with participating countries and international organizations, and has reached a broad consensus in international cooperation to build the BRI. This initiative and its core concepts are enshrined in the documents of the United Nations, the G20, OPEC and other international and regional organizations. Virtually 29 international organizations have promised to participate in the project (News in Asia, 2019).

**Infrastructure Connection:** Infrastructure connectivity is at the top of the BRI agenda. While committed to respecting the sovereignty and security concerns of all countries, the countries involved in the BRI have made concerted efforts to build a global, multi-level, composite infrastructure framework centered on rail, road, sea, air and air transport. Pipelines and space
information networks are being integrated. Significant progress has been made in the construction of six corridors of international economic cooperation including the New Eurasian Land Bridge, the China-Mongolia-Russia Economic Corridor (CMREC), the China-Pakistan Economic Corridor (CPEC), the China-Central and Western Asia Economic Corridor, the China-Indochina Peninsula Economic Corridor, and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC) (Belt & Road News, 2020), which connects the Asian economic circle with the European economic circle. These corridors have played an important role in creating and strengthening partnerships between participating countries and creating an efficient and smooth Eurasian market.

**Trade Without Restrictions:** Trade without restrictions are a crucial objective of the BRI. The efforts invested in this initiative have led to the liberalization and facilitation of trade and investment in participating countries and regions, the reduction of trade costs, and the liberalization of growth potentials. It enables participants in this project to participate in wider economic globalization. In this regard, China’s trade with countries cooperating in the BRI has reached $617.5 billion in the first half of 2019 (The Maritime Executive, 2019). Indeed, the Middle Eastern region is also part of the BRI. The BRI does not only encourage regional trade, connectivity, transactions and communications in the Middle East, but also creates an economic structure that is not under the control of Washington (Lons, Fulton, Sun & Al-Tamimi, 2019: 6).

**Financial Integration:** Financial integration is an important pillar of the BRI. The Financial Times describes the BRI as a “colossal undertaking” which could cost tens of trillion of dollars to finance (Smits, 2017). Several key banks have extensive relationships with participating countries, including the China Development Bank and the Exim Bank of China, which have played significant roles in basic financing and are engaging other banks in this project. Commercial banks such as the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China and the China Construction Bank have strongly advocated commercial projects through their advantages in size and volume. Equity funds like the Silk Road Fund and China Investment Corporation are participating in leveraging domestic and overseas social capital and improving financial structure. Moreover, insurance organizations including the China Export and Credit Insurance Corporation have also engaged in risk control and information services as part of the BRI projects (Xijun, 2019).

When China first initiated the Asian Infrastructure Investment Bank (AIIB) in 2013, it was expected that it would fund many of the country’s newfound international infrastructure projects (Shepard, 2017). The AIIB plays a significant role in providing financial assets to launch initiatives. In order to gain the support of American allies such as Great Britain and Australia, the AIIB needs to pay attention to good gov-
Governance and transparency (Beeson, 2018: 246-247). Concerning the financing of the BRI, its implementation is restricted by the structural power of the US in the global political economy. In fact, the US dollar may impose financial constraints on implementing the project (Lai, Lin, & Sidaway, 2020: 114-115).

Improving the Welfare of the People: China is providing necessary assistance in the areas of poverty reduction, agriculture, education, health, environmental protection and other areas through the BRI. The BRI transport projects may increase the welfare of participating countries by reducing delays at the border and tariffs by half (de Soyres, Mulabdic & Ruta, 2019). China also has adopted a policy to provide medical support to countries involved in the BRI. For instance, China has implemented a China-Africa public health cooperation program. The China–Africa health development initiative was signed in December 2015 in Cape Town, South Africa (Tambo, et al., 2019: 46). It has trained several thousand specialists in public health management and disease prevention and control in collaboration with other countries involved in the BRI. For example, China responded to Ebola outbreak in West Africa, and took an unprecedented public health approach by sending 1200 workers, infrastructure, and aid to inflicted communities in Sierra Leone, Liberia, and Guinea (Tambo, et al., 2019: 47).

The goal of the BRI is to create a new model of international relations that includes mutual respect, fairness, justice and win-win cooperation, and builds partnership through dialogue instead of confrontation and friendship instead of treaty.

Facilitating the Transfer of Scientific Innovation: In 2018, China hosted 500 young scientists from various countries for research and trained more than 1,200 science and management specialists. China is actively cooperating with other countries in the BRI Technology Initiative, providing BeiDou, its navigation satellite systems, satellite communications systems, remote sensing technologies and satellite meteorology. Moreover, The Digital Belt and Road Program (DBAR), launched by the Chinese Academy of Sciences, has opened eight International Centers of Excellence (ICoE) in Morocco, Zambia, Thailand, Pakistan and other countries (Sheng, 2019).

The Road to Peace: The goal of the BRI is to create a new model of international relations that includes mutual respect, fairness, justice and win-win cooperation, and builds partnership through dialogue instead of confrontation and friendship instead of treaty. To ensure the smooth implementation of the BRI, China will work with all countries involved in the project to establish an early warning and hazard control and emergency response mechanism. In the event of a dispute, all parties to the conflict
can discuss their interests and concerns through dialogue, not conflict. These talks will create a positive development environment for BRI cooperation, and help all participating countries build a world where they respect each other’s core interests and resolve disputes peacefully.

**Turkey's Position in the BRI**

The Turks believe that by joining the scheme, they can boost their economy and significantly increase their trade volume. For some time now, Turkey has been leaning eastward. This development could lead to greater economic and political cooperation between Turkey and countries such as China and Russia. In this regard, bilateral trade between Turkey and China has grown from $1.4 billion in 2000 to $26.3 billion in 2017 and China has become Turkey’s largest trading partner (Turkstat, 2017; MFA, n.d.). Moreover, Turkey, because of its strategic geographical position between Asia and Europe, provides a cost-effective economic corridor to major markets (Bitmis & McGuire, 2020: 182). With the emergence of political differences between Turkey and the United States (its main ally in NATO) as well as strained relations with the European Union—although Turkey’s cultural and trade relations mostly involve European countries and the United States—the Turkish government is increasingly coordinating its foreign policy with Eastern countries. Through the BRI, therefore, Turkey intends to expand its trade and industrial relations with China and Russia, and does not intend to be a mere transit route between East and West in this project, but it also seeks to play a strategic role between Europe and Asia. Yet, it seems that Turkey is still oscillating between the West and China (Güler, 2019). Due to growing political and economic disparities between the US and China, Turkey is expecting to become an ideal business partner with China (Cinar, 2020).

**Conclusion**

The Chinese government intends to expand its trade and political-cultural ties across Europe and Africa by building railways and sea lines...
within the framework of the BRI. The Chinese believe that the countries along the road have rich resources that can be used for development and high economic growth. By implementing this plan, China intends to increase the volume of its foreign trade. Meanwhile, this project also appeals to several other countries who desire to partner with China.

One could argue that China is unlikely to achieve a global hegemonic status in the near future and does not desire to engage with any global power bloc until it completes its power stroke. This is precisely the reason why the United States has taken an aggressive stance against China to thwart its plan, and why China, on the other hand, has taken a largely defensive stance so as not to sacrifice its plans too early. Hence, the Chinese are becoming more conservative in the face of the United States and are trying to avoid using the Trump administration’s policies as an excuse to increase tensions. For one thing, the history of Sino-US relations shows that after each period of escalation, the two powers begin de-escalating diplomacy so that the process does not spiral out of control. It seems quite obvious to the leaders of both countries that escalating tensions to the point of risking a military confrontation could result in a global catastrophe. From this perspective, it is possible to suggest that the BRI provides a golden opportunity for both China and the US to cooperate with each other on a global level. Given the fact that China’s rivalry with the United States is largely of a political-economic nature, the US is extremely reluctant to engage with China at this stage.

The US has resorted to tough measures to thwart China’s global goals by strengthening existing alliances with Australia, Japan, South Korea, Taiwan, Vietnam, Malaysia, Thailand, and to some extent Indonesia and the Philip-
Demographic trends, labour markets and welfare systems of member countries. Maastricht: Global Labor Organization (GLO).


