



China's Belt and Road Initiative: Ten years on

By Pippa Ebel

This year marks the tenth year of the People's Republic of China's (PRC) ambitious global endeavour, known as the Belt and Road Initiative (BRI). The announcement was made in 2013 during the official visit to Kazakhstan made by Xi Jinping, General Secretary of the Chinese Communist Party (CCP). Then known as 'One Belt One Road', Xi's flagship global development plan promised to consolidate the PRC's position on the world stage through infrastructure projects that would redefine relations between participating countries. Although it is often referred to as the new Silk Road, the geographical scope of the BRI is not limited to the PRC's neighbouring countries. As shown in Map 1, currently, the BRI spans 149 nations, and includes economic corridors as well as major infrastructural and digital projects on both land and sea. Ten years after the official inauguration of the BRI, this Explainer delves into what it means for the PRC as well as the world beyond, and considers the challenges and opportunities which lie ahead.

The current status of the BRI

Before analysing challenges facing the BRI, it is useful to consider its current status. Looking at completed projects or those currently underway provides some insight into the present status of the initiative. However, deeper understanding can be difficult to attain due to deliberate opacity surrounding BRI projects on both the Chinese and host countries' side, as well as the sheer scale of the initiative, which spans large swathes of Central Europe, the Middle East, Africa, Southeast Asia and Latin America. There are nonetheless several major projects which are complete and serve as indicators for both the direction and possible impact of the BRI. These include rail projects such as the China–Europe express railway, the Jakarta–Bandung High Speed Railway (HSR), Kenya's Standard Gauge Railway (SGR) and Ethiopia's Addis–Ababa–Djibouti Railway. Further afield, the China Pakistan Economic Corridor (CPEC) comprises a network of energy installations, industrial zones, roads, railways, city transport links and ports. In Southeast Asia, over 400 dams are projected to be completed along the Mekong river delta. Whilst these represent just a few of the projects completed under the BRI umbrella, they reflect its current and future impact in terms of economic and social connectivity across the globe.

Besides looking at completed projects, Party Congress statements and official CCP press releases provide insight into where the BRI currently sits within the PRC's foreign policy, and its evolution since 2013. Initially, the BRI was positioned as the PRC's flagship international policy, comprising trillions of dollars worth of investment to boost connectivity with the PRC, and economic growth in developing nations.¹ Since then, other international policies have emerged which can be understood as developments in the BRI's trajectory. In 2022, Xi announced two new international policy initiatives, known as the Global Security Initiative (GSI) and Global Development Initiative (GDI).² Both policies indicate a move towards securing greater domestic and financial security, although to date few details have been released regarding these two strategies. Despite speculation that they might be replacements to the BRI, vocabulary around the BRI continues to be present in CCP speeches and statements. Given the footprint of the BRI and long-term nature of the contracts in place, it is likely

¹ In 2017, Xi committed US\$124 billion (£99.2 billion) towards BRI projects. Although it is difficult to measure total investment into the BRI so far, researchers estimate that expenses could in the future reach as much as US\$8 trillion (£6.4 trillion). See: James McBride, Noah Berman, and Andrew Chatzky, 'China's Massive Belt and Road Initiative', Council on Foreign Relations, 02/02/2023, <https://bit.ly/3LRrshq> (checked: 09/05/2023).

² Chris Cash, 'What is China's Global Security Initiative?', The Council on Geostrategy, 29/09/2022, <https://bit.ly/3RInSWC> (checked: 09/05/2023).

the coming years will see its continued evolution, as ten-years worth of learnings are consolidated and strategies adapted to account for the current geopolitical environment.

Major challenges facing the BRI's development

With many projects now complete, and a great deal more underway, major obstacles have become apparent for the CCP. While these are significant in both number and complexity, four in particular present major roadblocks to future progress. These are:

1. Civil unrest and local opposition to projects;
2. Challenging local political and governance conditions;
3. Rising environmental concerns; and,
4. Poor strategic and financial planning.

Civil unrest and implications for security and financial sustainability

The PRC has shown a willingness to partner with countries facing significant social and political instability. In contrast to free and open countries, the PRC has invested in major projects across high-risk countries such as Iran, Afghanistan and Pakistan. In fact, it is estimated that around 84% of BRI investments are located in 'medium to high-risk countries'.³ Although the CCP is drawn to the abundant supply of untapped natural resources in these countries, such engagement comes with considerable cost, both economically and socially.

A terrorist attack on a hotel in Kabul in December 2022 which injured five Chinese business people is the latest of several attacks across BRI partner countries.⁴ Similar attacks have occurred across various BRI member countries, including Thailand, Pakistan, Kyrgyzstan and Mali.⁵ These attacks have at times even specifically targeted local Chinese embassies. Between 2015 and 2017 alone, the PRC's Ministry of State Security reported 350 serious security incidents

³ Paul Nantulya, 'Chinese Security Firms Spread along the African Belt and Road', Africa Centre for Strategic Studies, 15/06/2021, <https://bit.ly/3zWpE07> (checked: 09/05/2023).

⁴ Mohammad Yunus Yawar, 'China "shocked" at Kabul hotel attack that injured its five citizens', *Reuters*, 13/12/2022, <https://bit.ly/3oawFaW> (checked: 09/05/2023).

⁵ Mollie Saltskog and Colin P. Clarke, 'The Little-Known Security Gaps in China's Belt and Road Initiative', *The RAND Blog*, 18/02/2019, <https://bit.ly/3KGoTu9> (checked: 09/05/2023).

threatening Chinese civilians abroad.⁶ Despite the ramping up of security by Chinese private firms, threats still prevail. The occurrence of such incidents reflect a wider challenge to the PRC's BRI strategy both now and in the future, as well as the possible consequences of engaging with regions with high social and political unrest.

Civil unrest presents not only a security risk to local staff on the ground, but also poses major financial challenges and leads to delays in projects. Local resistance across Pakistan, Myanmar, Kenya and Ghana in particular have resulted in significant delays, and in some cases, project termination. Such resistance is particularly prevalent in democratically leaning countries. In 2019, a three year long campaign by local communities in Kenya to close a power plant project culminated in its termination, causing significant losses on the Chinese side which had already committed US\$2 billion (£1.6 billion) and underwent strategic planning.⁷ Such major losses to Chinese investors is not a recent phenomenon; the cancellation of Myanmar's Myitsone Dam in 2011 saw the Chinese lose millions.⁸ Protests and strikes can also result in significant costs to operators. In the case of mining projects, they can cost up to US\$20 million (£16 million) per week.⁹

Such challenges are likely to increase as local communities and legislative bodies become more experienced and adept at placing pressure on their governments to resist undue Chinese influence. In the case of more democratic countries, resistance is likely to be more effective, as seen in Ghana. Local Ghanaian elites leverage their power in the courts, where they challenge local BRI projects and subsequently influence government policy. In February 2023, protests initiated by local inhabitants opposing the development of bauxite mines within the protected territory of Atewa Forest resulted in legal action being taken in Accra's High Court.¹⁰ It is likely that with added support from international bodies, private consultancy groups and legal firms, resistance from local communities will not only become increasingly common, but effective.¹¹

⁶ Paul Nantulya, 'Chinese Security Firms Spread along the African Belt and Road', Africa Centre for Strategic Studies, 15/06/2021, <https://bit.ly/3zWpE07> (checked: 09/05/2023).

⁷ Clare Blackwell, 'Guest Post: How Protest is Posing a Growing Threat to the BRI', Green Finance and Development Centre, 11/05/2021, <https://bit.ly/43qjQJE> (checked: 09/05/2023).

⁸ Xue Gong, 'The Belt and Road Initiative Is Still China's "Gala" but Without as Much Luste', Carnegie China, 03/02/2023, <https://bit.ly/3UEufNK> (checked: 09/05/2023).

⁹ Clare Blackwell, 'Guest Post: How Protest is Posing a Growing Threat to the BRI', Green Finance and Development Centre, 11/05/2021, <https://bit.ly/43qjQJE> (checked: 09/05/2023).

¹⁰ 'Hearing of suit against government's move to mine in Atewa forest begins', *GhanaWeb*, 07/02/2023, <https://bit.ly/41rs3eJ> (checked: 09/05/2023).

¹¹ Private consultancy firms such as Highgate, as well as international organisations and private firms provide advice directly to host governments. International legal firms such as Baker McKenzie who have a BRI-focused portfolio play a role in the negotiation of contracts and dispute resolution.

The influence of local politics in determining the success of projects

It is not just volatile and unstable political conditions that pose challenges to BRI projects. Local political structures play an important role in determining their success. Democratic countries where regular election cycles are held can be unreliable partners for the CCP, which rely on the collaboration and stability of local governing bodies for the successful actualisation of projects. This is evident in major infrastructure projects, which take several years to complete, and depend on local government endorsement for social and financial cooperation.

The SGR in Kenya showcases how local politics, specifically personal political agendas, play a key role in the successful delivery of BRI projects. During the 2013 national election, Uhuru Kenyatta, a presidential candidate at the time who was eventually voted in, positioned the SGR as a key commitment within his electoral campaign. He pledged to ‘upgrade the links between major cities’ by ‘building a new Standard Gauge Railway from Mombasa to Malaba’.¹² After being voted in, Kenyatta continued to champion this ‘transformative’ project by ‘directly interven[ing] in the construction and operation’.¹³ Kenyatta’s involvement extended to policy action, from compensation to resolve land conflict, to legal reform tackling local opposition and vandals.¹⁴ This level of involvement and personal commitment continued into Kenyatta’s second election campaign in 2017, where he once again used the SGR to curry favour with the public, with promises that it would ‘reshape the story of Kenya’.¹⁵ After successfully securing a second term, however, his personal investment diminished. With fewer visits to construction sites and no intervention in local land disputes, the delivery of the second phase of the project slowed down. Within a year, the SGR was facing ten-month delays, and in 2019 no further loans were secured for its further development.

The example of the SGR reflects how the personal agendas and self-interest of local politicians directly impact BRI projects. In this case, it manifested as reduced efficiency and rising costs. Yet in other instances, the consequences have been more severe. The 2019 scandal that erupted around Malaysia’s flagship megaproject – the 1 Malaysia Development Berhad (1MDB) – revealed the possible risk of engaging with a ‘staggeringly corrupt’ local

¹² ‘Press statement on SGR by President Uhuru Kenyatta on January 28, 2014’, The Consumers Federation of Kenya, 28/01/2014, <https://bit.ly/3ogMHZw> (checked: 09/05/2023).

¹³ Yuan Wang, ‘Executive Agency and State Capacity Development: Comparing Sino-African Railways in Kenya and Ethiopia’, *Comparative Politics*, 54:2 (2022).

¹⁴ ‘Kenya opens Nairobi–Mombasa Madaraka Express railway’, *BBC*, 31/05/2017, <https://bit.ly/3MKwWf4> (checked: 09/05/2023).

¹⁵ ‘Kenya inaugurates Mombasa–Nairobi Standard Gauge Railway’, *Railway Technology*, 01/06/2017, <https://bit.ly/3KD8fhZ> (checked: 09/05/2023).



government driven by self-interest.¹⁶ The project culminated in Najik Razak, then Prime Minister of Malaysia, facing charges of embezzlement – estimated to be around US\$4.5 billion (£3.6 billion) – and other projects including the East Coast Rail Link and natural gas pipeline grinding to a halt.¹⁷ Changing sentiment of political leaders towards Beijing’s investment, as well as high-levels of corruption and fraud in host countries, pose serious risks to the successful delivery of projects and impact the PRC’s credibility.

It is not just in Southeast Asia that the CCP engages with corrupt countries, with Afghanistan and Venezuela being other notable examples.¹⁸ This further adds to the unpredictable trajectory of BRI projects as such high levels of corruption are unlikely to change in the near future. In fact, evidence suggests that the PRC’s activity in these countries likely exacerbates it. By adopting a stance of non-interference, and therefore not ‘tak[ing] an active role in fighting corruption’, such practices perpetuate and can be normalised.¹⁹ This contrasts with behaviour typically seen by international donors who are more likely to ‘be able to influence prescriptive norms’ by ‘stigmatising corrupt practices’.²⁰

Local elections and attitudes by the leaders of host countries will continue to impact the BRI, particularly given Chinese actors’ reticence to influence or intervene in local politics. It is likely that local governments will become more demanding partners as they are empowered through engagement with local think tanks and international organisations such as consultancy groups and London-based legal firms, who provide legal and strategic advice.²¹

Environmental impacts and growing international criticism

With many projects now complete, the BRI’s environmental impact is increasingly visible. There is mounting concern around not just existing projects, but those awaiting approval. The past five years has seen an escalation in awareness around the environmental risks posed by the BRI, resulting in local activism and pressure by international organisations such as the World Bank and World Wide Fund for Nature (WWF) for Beijing to adopt greener strategies within the BRI. This has led to a shift from a ‘passive’ approach from Beijing, towards

¹⁶ Lee Jones and Shahar Hameiri, ‘Debunking the Myth of “Debt-trap Diplomacy”’, Chatham House, 19/08/2020, <https://bit.ly/4ob7Glh> (checked: 09/05/2023).

¹⁷ The ECRL had already received an investment of US\$20 billion (£16 billion).

¹⁸ According to the Global Corruption Index, Afghanistan and Venezuela both rank in the top ten most corrupt countries. See: ‘Global Corruption Index 2022’, Global Risk Profile, No date, <https://bit.ly/3LozdRW> (checked: 09/05/2023).

¹⁹ Ann-Sofie Isaksson and Andreas Kotsadam, ‘Chinese aid and local corruption’, *Journal of Public Economics*, 159 (2018).

²⁰ *Ibid.*

²¹ See footnote 11.

greater ‘willingness to take more action in governing its overseas activities’, visible in the significant policy measures introduced in 2015, 2017 and 2022.²² However, in spite of adjustments made by the PRC to meet global imperatives, pressure can be expected to continue and intensify as the CCP is held accountable for environmental degradation linked to BRI projects. The coming years will likely see a rise in advocacy and legal action, creating major roadblocks for Beijing.

The Mekong river delta is just one of many regions which exposes the serious environmental risks posed by BRI projects. Due to the scale of the projects, and consequently the level of risk entailed, it has attracted attention on the international stage. International bodies, such as HSBC and WWF have detailed the ecological threats in a report focusing on two key issues: the blocking of sediment flows and severe impact on biodiversity.²³ According to predictions, if all the dams within the BRI portfolio are completed, the sediment load transported by the delta would reduce by 96%.²⁴ The impact on the region’s biodiversity is significant, placing 1,700 key biodiversity spots and 265 species under threat.²⁵ Such forecasts have led to mounting pressure for external intervention, and may lead other BRI-host countries to adopt a more cautious stance towards proceeding with associated projects.

As mentioned, Beijing has already taken steps to make sustainability a greater priority within BRI projects. In 2017, the term ‘Green Belt and Road’ entered the CCP’s lexicon. Policies and rules specifically promoting sustainable development were issued, most notably the ‘Guidance on Promoting Green Belt and Road Initiative’. The measures promised greater ‘openness and inclusiveness’ regarding the PRC’s sustainability practices, by placing greater emphasis on the needs and conditions of host countries, as well as international standards.²⁶ Such aims resulted in the BRI International Green Development Coalition developed by the PRC’s Ministry of Environmental Protection and the United Nations Environment Programme, which pulled together the environmental ministries of 29 BRI-host countries, and 85 non-governmental organisations and research institutes. International cooperation has been prevalent among the PRC’s financing bodies and corporations, shown by the

²² Yixian Sun and Bowen Yu, ‘Greening China’s Belt and Road Initiative: From Norm Localisation to Norm Subsidiarity?’, *Global Environmental Politics*, 23:1 (2023).

²³ ‘Greening the Belt and Road Initiative’, WWF and HSBC, 23/01/2018, <https://bit.ly/3Lor2VG> (checked: 09/05/2023).

²⁴ Ian Campbell and Chris Barlow, ‘Hydropower Development and the Loss of Fisheries in the Mekong River Basin’, *Frontiers in Environmental Science*, 8 (2020).

²⁵ ‘Greening the Belt and Road Initiative’, WWF and HSBC, 23/01/2018, <https://bit.ly/3Lor2VG> (checked: 09/05/2023).

²⁶ Xi Jinping, Speech: ‘Work together to build the Silk Road Economic Belt and the 21st Century Maritime Silk Road’, *Xinhua*, 16/05/2017, <https://bit.ly/41rBGdn> (checked: 09/05/2023).

partnership between the Green Finance Committee of China Society for Banking and Finance and the City of London Green Finance Initiative in November 2018 in developing the Green Investment Principles for the Belt and Road.

Although Beijing is moving towards a greener approach and has taken important steps towards mediating its ecological impact, this sits in conflict with its ultimate aim of building up infrastructure capabilities in developing countries, many of which rank lowest on the Environmental Performance Index (EPI).²⁷ Critics reflect that many of Beijing's policies are 'non-binding, target setting documents', leaving room for donors to opt out.²⁸ This limits how effective governmental measures will be and it remains to be seen whether environmental safeguards will be ramped up in the future. Such safeguards are costly, both in terms of time and investment, affecting the financial viability of projects. For instance international assessment practices such as Environmental Impact Assessments (EIAs), can take up to two years, whereas those carried out by Chinese actors can take as little as six months.²⁹ Unsurprisingly, both the PRC and hosting countries are reluctant to do anything that might slow a project's progress.³⁰

For the CCP, mounting pressure and awareness around the BRI's environmental impact poses considerable challenges. Activists are presenting increasingly bleak forecasts predicting irreversible ecological damage, as well as social and environmental crises.³¹ Although free and open nations have limited ability to apply pressure on Beijing, if practices within BRI projects do not adhere to international standards, the CCP will surely face greater criticism on the international stage. Moreover, as the consequences of completed projects become more visible, they may stir unrest and legal action by local communities in countries with BRI projects in progress.³²

²⁷ According to Yale's EPI ranking system, Myanmar, Vietnam, Bangladesh and Pakistan are amongst the five lowest scoring countries. See: '2022 EPI Results', Environmental Performance Index, No date, <https://bit.ly/4ohQiLK> (checked: 09/05/2023).

²⁸ Joanna Coenen et al., 'Environmental Governance of China's Belt and Road Initiative', *Environmental Policy and Governance*, 31:1 (2021).

²⁹ This is according to outlines provided by the European Commission in 2014. The outline acknowledges on account of possible delays, EIAs may take longer. See: 'EIA - A study on costs and benefits', European Commission, 02/08/2019, <https://bit.ly/41a4tUg> (checked: 09/05/2023).

³⁰ Joanna Coenen et al., 'Environmental Governance of China's Belt and Road Initiative', *Environmental Policy and Governance*, 31:1 (2021).

³¹ The publication *China Dialogue*, which focuses on climate related stories, plays an important role in tracking the ecological impact of BRI projects. Coverage by mainstream media, such as the *Financial Times* and *The Guardian*, also contribute to rising awareness of the BRI's environmental implications.

³² Besides Ghana, BRI projects within the Batang Toru rainforest in Indonesia resulted in legal action by the Indonesian Forum for the Environment. See: Alice Politi, 'How Green is China's Belt and Road Initiative?', *Instituto Affari Internazionali* [Institute of International Affairs], 12/04/2021, <https://bit.ly/43MbzQB> (checked: 09/05/2023).

Lack of strategic planning and oversight regarding local governance structures

BRI projects are now showing critical weaknesses regarding their financial feasibility. Additionally, deep structural challenges within host countries are becoming more visible. Such problems are the result of a lack of rigour in strategic and financial planning in the early stages, as well as insufficient understanding on the Chinese side of distinct social and infrastructural circumstances within BRI host countries.

Problems within existing structures of host countries, whether financial, governmental or logistical, can present significant obstacles to projects. One example of these are the power sector projects established as part of the CPEC, which comprises 21 projects, of which ten are already complete. The completed projects reveal a lack of understanding by Chinese actors regarding the system underpinning Pakistan's energy sector. Faced with an 'inadequate transmission system' as well as technical problems, much of the energy produced is not successfully transmitted to consumers.³³ This is despite the PRC's completed projects running at 'full efficiency', with a projected contribution of 12,000 megawatts of energy.³⁴ In Balochistan for example, only 40% of the province is connected to the national grid. Moreover, the transmission network has insufficient capacity to transmit the megawatts required. Therefore, irrespective of how successful the production of energy is across CPEC power sector projects, its ability to tackle Pakistan's power supply shortage and thus directly benefit consumers is dependent on a functioning local network.

An even larger issue and one which is intensified by the aforementioned losses in energy transmission and distribution is the problem of circular debt. Such debt within the energy sector reached an all-time high of PKR498 billion (£1.4 billion) in 2021.³⁵ It is posited that borrowing from the PRC has contributed to these rising levels of debt, and that they are likely to pose significant challenges for both the future of CPEC projects, as well as the bilateral relationship between Pakistan and the PRC.³⁶ Problems of circular debt stem from the Pakistani governance structures supporting the power sector. The power sector supply chain is largely owned and controlled by the central government, through 'ownership of entities at the generation, transmission, and distribution

³³ Huma Rasheed, Kinza Kanwal and Nida Abbas, 'CPEC and the challenges for the energy sector of Pakistan', *Bulletin of Business and Economics*, 11:1 (2022).

³⁴ *Ibid.*

³⁵ Erica Downs, 'China-Pakistan Economic Corridor Power Projects: Insights into Environmental and Debt Sustainability', Columbia Centre on Global Energy Policy, 03/11/2019, <https://bit.ly/41w2qtc> (checked: 09/05/2023).

³⁶ *Ibid.*



legs'.³⁷ The complex chain of command from government to final consumer depends on timely payments at each stage of transaction, and smooth cash operating cycles. The fact that 'entities in the power sector generally do not have enough money to pay each other for long periods of time' has ultimately led to a rising debt crisis, power shortages and consequently social and political instability.³⁸

Another common issue facing infrastructural development projects concerns land ownership. Many BRI projects have faced social and financial challenges as a result of land ownership, an issue which is underestimated by Chinese partners. Misunderstandings regarding local practices around land have implications for both the time-frame in which projects can be completed, and ultimately whether they can be realised at all – as was evident in the previously mentioned SGR project in Kenya. Another example is that of the Jakarta-Bandung HSR in Indonesia, where prolonged negotiations and disputes over land have resulted in a delay of two and a half years. The CCP is 'unfamiliar' with local processes and restrictions, which are fundamentally different to those in the PRC, where the Party can assert more agency and assign land for projects.³⁹ As a result of this misunderstanding around cultural and governmental differences, Chinese actors have overly optimistic predictions in terms of timescale and profitability.

Overly ambitious targets in terms of profitability and timescale have placed serious strain on host countries, which is manifesting as rising levels of debt. At a time when the PRC's domestic economic growth is slowing and cracks within key sectors such as real estate are showing, Chinese lenders are facing a difficult decision. The next phase marks an important juncture in the BRI's development as Beijing has to balance the stability of its own economy with its obligations to support partnering countries, and make the choice whether to further invest in their development or not. Decisions are made harder by the fact that they may impact progress of projects in other countries who are observing the CCP's actions. BRI countries are now 'learning from each other and changing how they exercise agency' with Chinese partners.⁴⁰ In the long term, this may shift the power balance between the Chinese creditors and their borrowers.

³⁷ 'Proposed Programmatic Approach and Policy Based Loan for Subprogram 2 Islamic Republic of Pakistan: Energy Sector Reforms and Financial Sustainability', Asia Development Bank, 20/10/2021, <https://bit.ly/3KEMXjM> (checked: 09/05/2023).

³⁸ Erica Downs, 'China-Pakistan Economic Corridor Power Projects: Insights into Environmental and Debt Sustainability', Columbia Centre on Global Energy Policy, 03/11/2019, <https://bit.ly/41w2qtc> (checked: 09/05/2023).

³⁹ Lingfei Weng, et al., 'Challenges faced by Chinese firms implementing the "Belt and Road Initiative": Evidence from three railway projects', *Research in Globalisation*, 3 (2021).

⁴⁰ Deep Pal, 'China's Influence in South Asia: Vulnerabilities and Resilience in Four Countries', The Carnegie Endowment for International Peace, 13/11/2021, <https://bit.ly/41pPK7m> (checked: 09/05/2023).

‘BRI 2.1’: Consolidation and adaptation

The four issues highlighted are representative of just several challenges facing the future development of the BRI, which has reached an important moment of consolidation and recalibration given the changing geopolitical environment since 2013.

However, despite the significance of existing challenges and possible future roadblocks, they do not point to the inevitable decline and collapse of BRI projects. Rather, they push Beijing to reconsider its strategy and position, and adapt goals accordingly, in which the GSI and GDI may play a key role.

In anticipation of what could be understood as ‘BRI 2.1’, the CCP has already made steps to mediate the impact of the issues above, which provide insight into the BRI’s evolutionary direction. The following reflect areas which Beijing is likely to focus on:

1. **Tackling security issues and civil unrest:** The past ten years has seen the PRC expand its military capabilities overseas with a focus on BRI partner countries. This has largely taken the form of the deployment of Chinese private security companies (PSCs) and the expansion of military bases. The former is a notable development, as according to MERICS, between 2013 and 2017, the number of registered PSCs increased from 4,000 to 5,000.⁴¹ It is very likely this number will increase as security threats grow. Whereas to date the PRC has relied heavily on the support of local security forces, such resources have proved insufficient.⁴² A release in February 2023 by Pakistan’s Punjab Home Department urged the PRC to engage more private contractors as a result of growing unrest.⁴³ Besides the reinforcement of its own PSCs, the PRC’s latest update on the GSI’s objectives acknowledge the importance of upskilling local human resources, committing to 5,000 training opportunities over the next five years.⁴⁴ The

⁴¹ Helena Legarda and Meia Nouwens, ‘Guardians of the Belt and Road’, MERICS, 16/08/2019, <https://bit.ly/3GIJtvw> (checked: 09/05/2023).

⁴² In the case of Pakistan, since the setting up of a local Special Protection Unit (SPU) in 2014, 3,829 SPU officers and 2,552 attached district personnel are providing security to Chinese workers. See: Imran Gabol, ‘Chinese nationals asked to hire private firms for security’, *Dawn*, 14/04/2023, <https://bit.ly/3UE8rlB> (checked: 09/05/2023).

⁴³ *Ibid.*

⁴⁴ ‘The Global Security Initiative Concept Paper’, Ministry of Foreign Affairs of the People’s Republic of China, 21/02/2023, <https://bit.ly/41yaABD> (checked: 09/05/2023).



coming years will see the PRC adopt a multifaceted approach to increasing security within BRI-host countries, in reaction to ‘the complex and intertwined security challenges’ which exist today.⁴⁵

2. **Investing in soft power to consolidate social and political ties:** Rather than intervening through political or military measures, the PRC is likely to invest more in foreign aid, cultural and educational initiatives in order to improve the perception of Chinese projects amongst locals and governments, with the ultimate goal of diffusing tensions. To date, the CCP has provided medical supplies, funded local schools, and provided thousands of government scholarships to overseas students. This people-to-people exchange is likely to intensify, as indicated through the recent expansion of Confucius Institutes, particularly within African and Southeast Asian countries.⁴⁶ Besides people-to-people interactions, there may also be greater government-to-government interaction,⁴⁷ particularly now Covid-19 travel restrictions are over. Diplomatic visits have recommenced, and contact with key BRI partners are being prioritised, evident in the visit of Qin Gang, the PRC’s Foreign Minister, to five African nations in January 2023. The PRC is looking to leverage soft power to strengthen ties, particularly as the current generation (who have had more engagement with China) move into positions of political and economic influence in the coming years.
3. **Reducing environmental and ecological impact:** The CCP has already made substantial steps to place pressure on lenders and operators of BRI projects to increase environmental safeguarding and reduce its impact on the climate and biodiversity. This is likely to continue, and may move towards a more forceful approach through legal enforcement. Besides this, there may be greater cooperation between the PRC and international bodies such as the WWF and the Organisation for Economic Co-operation and Development. Such organisations already

⁴⁵ *Ibid.*

⁴⁶ The 2016 Education Action Plan for the Belt and Road Initiative emphasised the importance of ‘[f]ostering closer people-to-people ties’ as well as ‘breaking language barriers’. Education and professional development play a key role in this, with the PRC pledging the establishment of ten overseas science and education bases and the funding of 10,000 students. See: ‘Education Action Plan for the Belt and Road Initiative’, Ministry of Education of the People’s Republic of China, 07/2016, <https://bit.ly/3MKKR4H> (checked: 09/05/2023).

⁴⁷ *Ibid* further states: ‘through consultation and collaboration, the Belt and Road countries [can] create greater links and better coordination between [Governments’] national development plans for education’. The importance of coordination has intensified with growing unrest among host countries.



advise on environmental impact strategies in order to encourage best practices.

4. **Re-calibration of regional focus and amplification of current investment:** There has already been evidence of shifts in regional focus of the BRI, particularly from a lending perspective. As contracts reach the end of their grace periods, and projects move towards completion, it will become more apparent which countries the CCP is willing to deepen its cooperation with, and which ones will become less important in the PRC's overall BRI strategy. Given the current pressures on energy security, increased focus on countries with rich energy-reserves will be an immediate priority, as seen by Xi's recent negotiations in Qatar and Saudi Arabia. Besides this, there is likely to be more engagement with Latin America, as Brazil and Argentina emerge as key trading partners under current 'China-friendly' governments.

The future of the BRI: Strategic implications

According to the CCP, the BRI is due to be 'completed' in 2050. For this reason, the success and impact of projects should be considered in terms of their longer term development. How local economic and political conditions change over the coming decades will play a key role in determining the success of this global initiative. Importantly, the PRC's own domestic situation has already and will continue to influence the evolution of BRI projects. The financial and social impacts of Covid-19 revealed how easily external factors can alter and challenge the development of the BRI. More recently, Russia's war against Ukraine has added further pressure on the CCP to reassess its foreign policy goals.

The past ten years has seen a shift in the position of the BRI in terms of the PRC's international agenda. The announcement of the GSI and GDI triggered speculation that the BRI was over. Sceptics inferred that such initiatives served to divert attention away from a de-prioritised BRI. This perspective, however, fails to grasp how important BRI projects are for many under-developed countries who are dependent on external creditors for key infrastructural projects. Projects within many BRI partner countries are already in operation, or are entering the second and third phase of development. Unless alternative creditors step in to



support further development, host countries will continue to depend on and work with the PRC.

While the level of investment has diminished overall, and the focus has moved away from megaprojects, the PRC is continuing to provide loans to countries which are central to its global ambitions. The PRC still has liquidity to inject into potentially lucrative investments, as proven in the provision of short-term loans to key regions such as Pakistan. The BRI's ten year anniversary is an important point in the evolution of the project, where the PRC as an investor takes stock of its original agenda, and makes necessary adjustments to align with current domestic and global priorities.

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