Edited by
Julien Rajaoson · R. Mireille Manga Edimo

New Nationalisms and China's Belt and Road Initiative

Exploring the Transnational Public Domain

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Mireille would like to dedicate this book to all her family, academic friends, and mentors.

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CHAPTER 1

Introduction

R. Mireille Manga Edimo and Julien Rajaoson

Introduction

Nationalism is essential in studying politics, economics, and international political theory. It is used across disciplines of social sciences to point out reactionary attitudes, identity movements, and groups' struggles for independence and political autonomy. Historically, nationalism has named the sixteenth-century England movement (Greenfeld, 2019). It has also named movements in migration studies, anthropology, and international relations where it describes the long-distance imaginaries, feelings, attachments, devotion, and other types of socio-cultural behaviours of immigrants towards their home politics (see Basch et al., 1993, 2020; Safran, 2004; Anderson, 2020). In foreign policy analysis, nationalism is also essential to inform "the way state elites formulate and implement foreign policy" (Mylonas & Kuo, 2017). Meanwhile, the relationship between

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nationalism and foreign policy looks more complex. Such complexity suggests going to research throughout the history of societies and looking beyond traditional levels of analysis and established cultural geographies. It also recommends interrogating distinct levels of social action while bringing at the same time multiple causal lanes of a reactionary phenomenon.

At the 26th World Congress of the International Political Science Association (26th IPSA WC), initially scheduled in Lisbon in July 2020 and organised virtually from 10–15 July 2021, we presented a panel titled "New Economic Nationalisms in a Globalised World". Unlike the Congress theme "New Nationalisms in an Open World", our panel's ambitioned to interrogate the current economic globalism and nationalism in China's Belt and Road Initiative (BRI). Such an idea appeared by contrasting China's "global ambition" to expand its economic policies and cooperation worldwide with the British government's decision to renounce the United Kingdom's (UK) economic cooperation with European countries through the European Union (EU)—the Brexit. However, to fully understand and explain these types of foreign policy behaviours, including both the enthusiasm to cooperate and the reluctance to pursue cooperation within regional or bilateral instances, the panellists and authors of this book focused on the "cultural politics" (Fischer, 2009) of the BRI as a way of exploring the transnational public domain.

Economic nationalism has always surrounded the international relations of emerging powers. In 1955, an international meeting conference gathering Asian and African States took place in Bandung, the capital city of West Java, in Indonesia. The conference was organised by the Colombo powers. However, the idea emerged a few years before through the initiative of the Indonesian president named Sukarno, the Indian prime minister called Jawaharlal Nehru, and Mao Tse Tung. Mao Tse Tung was the founder of the People's Republic of China (PRC), Chairman of the Chinese Communist Party until he died in 1976, and a revolutionist, promoter of the doctrine based on "the socialist revolution in the agricultural, pre-industrial society. Unlike the two other leaders, Mao Tse Tung, the Chinese revolutionist, had shown personal ambition to become a 'global leader'. He had also shown 'complicated alliances'" (Fakhri & Reynolds, 2021) with the Union Soviet Socialist Republics (USSR) while the independent African States took in the spirit of Bandung with gusto (Fakhri & Reynolds, 2021). The 29 participants at the Bandung conference "met to express their united opposition to colonialism and gain recognition for less developed countries" (Philip's 2014).

Their dream about a new vision of Asia and a cosmopolitan international order opened a new wave in internal economic relations. Viewed as a type of economic nationalism, such dreams inserted new laws and strategic beliefs to use culture and regional historical experiences as the challengers to global economic relations.[1] In 2013, respectively, in September for Kazakhstan and October for Indonesia, Xi Jinping, China's president, announced one of his most ambitious "global" plans: the BRI. Xi Jinping meant the BRI as "a systematic project which should be jointly built through consultation to meet the interest of all, and (collective) efforts to integrate the development strategies of the countries along the Belt and Road" (Gov.cn, 2015). Xi Jinping also called for a "joint global effort". Although the Chinese government reported such discourses many times, the BRI was drafted in the "Chinese Vision and Actions" and Constitution (Gov. cn in March 2015). Unlike the Bandung Conference, which emerged as the result of both individual and collective actions, the BRI project was born on the territory of Kazakhstan and Indonesia, two historical and socio-cultural partners of China, under the unique leadership of China during foreign policy visits. Unlike the conference, which launched the group of non-aligned, Xi Jinping offered the BRI as "a global infrastructure development strategy" through which China and its different partners—in the global South, the global North, and international organisations—would invest. The BRI was revealed as Xi Jinping's main foreign policy strategy. Chinese governmental institutions, including—the "China's top planner" agency, the National Development and Reform Commission, and ministries of foreign affairs and commerce, have played significant roles in designing the BRI plans and programmes. Meanwhile, such an approach contrasts with the Chinese discourse on "global joint efforts" and "real chorus along the routes (and no) solo for China itself" and inclusive development programmes. Like the Bandung conference, these policy discourses mean that identity, norms, values, ideologies, and social and economic interests shape economic relations of global South countries and emerging powers, including China.

Unlike the scholarship that focuses on material elements to account for the Chinese global economic power, this book introduces China's global

[1] See the Bandung Conference's relationship with the need to establish a new international economic order.

nationalism as a way to examine its reception across the globe. The book takes further previous analyses by focusing on identity, norms, culture, ideals, and policy references as a way to analyse China's BRI global view in host societies as new nationalisms. In particular, this book emphasises new nationalism as a relation to China's global economic nationalism through the BRI as a way to advance the argument that new nationalism is a historically constructed social process. The book shows over its pages that new nationalism couples with globalism. Globalism emerges from one specific socio-economic and cultural context to reach different spaces while facing critical policy discourses, solidarities, and resistance. Linked to China's economic history and diplomacy within the global South and beyond, globalism is also a new nationalism. It is, therefore, neither new nor old. It is dual-sided, relational, and dialectical. Though it produces political results, new nationalism shores up cultural and economic behaviours that seek to reinvent globalisation on the one hand and to respond to globalism on the second hand. The newness runs as an innovative and spontaneous socio-economic response that also emerges from a specific context, environment, and a specific level of society. The newness also associates both the orthodox and heterodox actors of the global political economy. Actors of the BRI examined in this book either adhere to or reject the BRI as a way to respond and reaffirm their socio-cultural identity and economic interests. They also claim and attempt to secure "particular" economic and technological cultural resources. The readers of this book who want to capture these new nationalisms in the era of the BRI should pay particular attention to both the global and local responses to the BRI as "situations" (Cefaï, 2020) that engage both cultural and economic arguments and policy discourses.

By January 2022, China had signed more than 200 documents with 146 countries and 32 international organisations.[2] Yet, the book examines a few selected cases consisting of global South countries (including those from Africa and Asia), Central Europe (CE), the Middle East, Latin America, one liberal democracy, and three emergent powers (Brazil, China, and South Africa). However, the book does not pretend to analyse all countries in these regions. The ultimate purpose of the book is to explore the transnational public domain while using a few numbers of cases that were selected according to available empirical qualitative data.

[2] https://news.cgtn.com/news/2022-01-12/China-Nicaragua-sign-MoU-on-Belt-and-Road-cooperation-16LHNgng9lm/index.html, Accessed 12 April 2022.

The Transnational Public Domain: What Does It Mean? Where Does It Lead Us?

The transnational public domain embraces the policy discourses of micro and macro socio-cultural actors and their economic behaviours and socio-cultural practices regarding a public policy situation. It involves individuals and States' actions—at distinct levels of the society. It is a way of analysing the transformation around cultural globalisation. Many examples ranging from the UK's withdrawal from the EU to the global social contexts of the COVID-19 pandemic, including China's politics of the BRI, have shown evidence of growing global nationalism. China's BRI brings diverse evidence of multi-scalar levels of the new economic nationalism. It also inserts dual-sided social contexts of the economic new nationalism in the global politics of the BRI. However, the analysis follows the steps of public policy analysis at a global level (see Charillon, 2017; see also Beck, 2005).

The burgeoning literature on twenty-first-century China's economic relations has put forward China as a "new" global power. More specifically, China's foreign policy specialists have argued that China has transformed "from an isolated and backward agrarian society into a modern economic power with global interests and responsibilities" (Zhu, 2019). China is revealed as a growing international actor that has also been able to transform regional markets economy in Asia and beyond, including Africa and Latin America (Chu & Zheng, 2020. Wintgens & Kabamba, 2014; Wintgens, 1987, 2014, 2016, 2018; Kellner & Wintgens, 2018). Foreign policy analysts also depict the Chinese power by comparing its economic and political structures to the regional and global capacity of the United States of America (USA) and the EU (see Holslag, 2019). According to Sophie Wintgens (2018; Zacharie & Wintgens, 2018), the Chinese economic norms and ideologies compete directly against the USA and the EU (see also Ekman, 2018; Holslag, 2019; Detroy, 2021). The dominant idea is that China has exemplified a global ambition to become an international "reference" (Ekman, 2018, p. 94). Meanwhile, confrontational analyses between the globalising normative "regional" capacities of the BRI, from inside China to neighbouring countries in Asia, Africa, and Europe (see Chen & Li, 2021; 2020), have exemplified "the China 360 degrees of power" (see Rimmer, 2020) in a transnational public world. Unlike these regards, the transnational public domain raises arguments beyond existing theoretical frameworks to simultaneously involve both the "clash between civilisations" (Huntington, 1993) and the time-worn division of the world into North and South.

Though the transnational public domain acknowledges the material economic resources of China, it more profoundly questions the BRI's cultural and normative capacity to homogenise policies and practices across national boundaries. In addition, the transnational public domain includes both micro and macro behaviours confronted by the BRI. It puts places, identities, and economic resources at the heart of global cultural transactions expanded to different levels of the society. Samuel Huntington's (1993) theory on the *Clashes of Civilisations* looked at no other society beyond "Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American, and African" (Brown et al., 2018; Huntington, 2000). The transnational public domain takes his ideas further by drawing on the "cultural politics of expertise" paradigm (Fischer, 2009; Fischer et al., 2015; Edimo, 2021) of critical policy studies to raise conflicts and solidarities emerging from the BRI global China's economic policy. Specifically, the transnational public domain fulfils such tasks by identifying the key determinants of conflict and solidarity in the BRI global project. Using the "cultural politics" paradigm in the context of the BRI, the transnational public domain views the BRI both as a policy discourse, a set of values, norms, ideologies, and meanings coupled with economic expectations and cultural identifications.

The cultural politics of the BRI confronts various historical contexts and their cultures in the context of the global diffusion of the BRI. It inserts modern technologies as policy tools through the varying actors' attempts to secure their identity and interests in a global Chinese world. Meanwhile, the transnational public domain is an in-between social space that inserts cultural-economic conflicts, foreign policy relations, and transactions, identities, and values confrontations through human interactions, public policies, expertise, and public action (see Manga Edimo, 2021; Durnová, 2019). The transnational public domain puts in the BRI as a way of studying international political economy while bringing in social theory, political theory, international relations theory, and cultural globalisation's paradigms. Furthermore, the transnational public domain advances the scholarship on the BRI politics while problematising theories of nationalisms and new nationalisms.

New Nationalism and Globalism: Reconciling Dialectics

Unlike the independentist movements of the 1950s–1960s in the global South (see Özkırımlı, 2019), the new nationalism coincides with States' globalism (see Rogers et al., 2013). It puts forward the salient scales of human interconnections, interdependencies (Rogers et al., 2013), and social conflicts. New nationalism inserts cultures, social activities, practices, economic needs, and political ambitions beyond States' geographies to examine the "global mindset" of individual and collective societies. In new nationalism, there are tensions between a nation or group and individual economic interests. There are also cultures and economic interests for global power and economic accumulation.

The new nationalism refers in this book to the following variables: movements back within social history; identity affirmation and differentiation from "the other" or others; claims for enhanced status and roles in international relations and strategic partnerships; the coupling of nation and sovereignty; and the need for triumph and victory (see also Badie, 2021) to which can be added micro socio-cultural resilience in the course of a foreign economic inequality or dispossession of cultural, economic resources.

The new nationalism is not a new model of nationalism in an old and historical world society. As the concept runs in this book, new nationalism consists of the responses, reactionary attitudes, feelings, sentiments, socio-cultural, and policy responses to the BRI—the BRI is viewed as a global phenomenon engaging people's dispossession from their economic resources, technology, and identity. Social actors of new nationalism include but are not limited to national masses, elite policymakers, and the nation-state as units of analysis (see Mylonas & Kuo, 2017). They also include private companies, Chinese experts, the military and authoritarian regimes, former communist States, popular discourse, farmers and rural economies, national agro-industries, global South, global North, and Brazil- Russia- India- China- South Africa (BRICS). These actors and their various roles reconcile through history, cultures, and the social contexts of the BRI.

China's global nationalism turns to States' ambitions to diffuse and expand national economic policies where culture adds to politics, economic resources, ideologies, coalitions, cultural knowledge, and competence. Micro and macro global cultural behaviours operate as social responses to this type of new nationalism as challenges to the BRI long-term local transplantation. Actors' representations, economic interests, and resistance to their identity are key indicators. While new nationalisms involve different spaces and structures, they enhance "otherness" and the "feeling of threats", which are more disturbing than power (see Badie and Foucher, 2017, p. 18). Hence, the tensions and solidarities created by these new nationalisms go beyond a world that is neither primarily "geo" nor politically limited (see Badie, 2021). Such a world on which focus analyses on this book is the transnational public domain.

The Scope of the Book

Contributors in this book account and explain, both theoretically and empirically, the manners and methods through which individuals, institutions, private and public, rural and urban areas, political parties, and ideologies respond to the BRI as a way of analysing the multiple levels of the international political economy of the BRI. Focus on economic practices, discourses, representations, and meanings of cultural actors of global foreign policies aims at contextualising the role of values and cultures in structuring interests, policy discourses, and global political-economic ambition. While not homogenising cultures, globalisation contributes to setting up a transnational public domain. New economic nationalisms engage various actors and methods, from virtual and micro social actors to macro institutional and political socio-cultural actors. Authors have, therefore, differently used emotions (including anxiety, fear, hunger, economic and technological unsatisfaction), and policy discourses of social actors as the drivers of new nationalisms and not cultural boundaries per se.

Chapters focus on China's BRI politics. They look at it as a global policy project launched by Xi Jinping in 2013. In each of these chapters, the authors show how the BRI puts together different social levels and contexts of foreign policy analysis. Over the pages of this book, they show how individual motivations and complex national identities enrich, guide, and shape policymakers, entrepreneurs, scientists, and social workers' decisions and activities.

Chapter 2 shows how China, as an emerging power, has engaged in world politics through the BRI using its "normative tools" and "grand strategy" discourse (see Megumi in Chap. 2). Chapter 3 inserts the role of military power and authoritarian regimes in African rural economies (see the Angola case study in Chap. 3 by Brad Safarik). Chapter 4 draws on the case of three different African countries to raise the differences and similarities in the reception of the BRI in societies where individuals, a priori, share the same cultures and values. Specific in its case, Chap. 5 shows how China challenges the cultural diversity of "nation-states in transition in the Middle East" (see Lilit, Chap. 5). Unlike the others, Chap. 6 focuses on China's president's leadership and personality to study the normative and cultural power capacity of the BRI. The author of that chapter examines Xi Jinping' operational code' and policy discourses on the BRI to see how they interact with Chinese global foreign policy. Following these chapters, another perspective of culture and foreign policy analysis emphasises the BRI imaginaries in CE (see Sarka & Ladislav in Chap. 7). These authors argue that the "in-between" locations of Hungary, Czechoslovakia, and Poland seemed historically and culturally strategic for the USA and CE, and nostalgia, local populism, and rising economic China have challenged policy identifications. They engage four case studies to find and show how China's foreign policy discourse coincides with historical moments of Chinese economic nationalism in the region and the Chinese responses to its supporters and opponents. Chapter 8, signed by Malgorzata from the same region, furthers these earlier arguments by using the concept of China's mentality (see Malgorzata in Chap. 8 of this book). She illustrates the struggles embedded in both Eurocentric visions through the "Chinese way" of understanding and viewing development and modern technologies. While bringing the role of "chance of the project successes" in Chinese foreign policy analysis, Malgorzata's chapter advances the uncertain character of the cultural politics of the BRI. Such character while being reinforced by the BRI in Laos (see Phill Wilcox, Chap. 9), the BRI also transforms into one major policy instrument for both Laos' economy and China's foreign policy (Phill Wilcox, Chap. 9). The book also puts forward the ways through which BRI politics used as social dreams for reinforced economic policies in the mindsets of Chinese diasporas, entrepreneurship, Chinese businesses, Laos employment policies, as well as the correlations between economic interests for lands and struggle for identity. It is also a vibrant illustration of how money, business, and resources interplay with new nationalism. Meanwhile, Chap. 10 introduces similar worries through India's responses to the BRI. In that case, new nationalism feelings and emotions encompassing worries, fear from domination, and insecurity surround the reactionary attitudes. While these feelings are still embedded in economic motivations, they also introduce emotional competition between China and India (see Chap. 10 from Serge Granger).

Chapter 11, written by Dechun and Xiaojuan, further shows cultural and ideological interconnectivity between China's global politics of the BRI and the Chinese domestic popular nationalism. Building on in-depth observation and analysis of Chinese social media in the context of BRI policy discourses, Dechen and Xiaojuan's chapter offers a deeper understanding of the global BRI mindset. Evidence on "hostile attitudes towards foreign countries and the willingness to deliver geopolitical win with self-interests, globalism proudness, and confidence in the BRI projects" (see Dechun and Xiaojuan, Chap. 11), these contributors have inserted the cultural connections between the top-down and bottom-up policy discourses. The effects of these discourses on China's BRI politics comfort what is further advanced in Chap. 12, which focuses on local city actors and city diplomacy. In Chap. 12, Niedja de Andrade uses the actions of Jingdezhen city to argue about the new roles of local councils in challenging global economies' identities. He thus looks particularly at how tools such as city branding, industrial parks, ports, airports, multinational corporations, heritage, and landscapes enhance China's public diplomacy. His research shows that City State Councils are prominent State tools in the marketisation and diffusion of the BRI project. In the meantime, Chap. 13 looks beyond Eurasia, Asian and African spheres to put forward the cultural-economic logics of two BRICS States that mutually contribute to the BRI. In Chap. 13, Siphamandla Zondi looks for the binding ties between China and South Africa. His research emphasises the intensity of such cooperation (see the focus on the increased number of agreements) and China–South Africa shared ambition to maximise their economic power and global politics in the future. Chapter 14, co-authored by Ricardo Kotz and Maria Jose Lopez, shows how China's global BRI politics confronts far-right party ideology in Brazil in managing the energy sector (see Kotz and Lopez in this book). While the case seems specific to China-Brazil relations, it is an opportunity to draw elements of comparisons between China and other countries in the BRI from political parties' perspectives. Unlike the case of Kazakhstan, where economic cooperation interplays with infrastructure development through logistics and transport policies (Lyailya in Chap. 17), the BRI in other global South contexts shows unsatisfactory results, desertion, and the local workers' silent and passive economic nationalism. The BRI runs as another feature of the politics of aid (see Chap. 16) which shows both benefits and weaknesses. Experiences look different in Australia and Papua New Guinea. Australia shows anxiety and temptations to stand with the USA (Binoy Chap. 15). However, Chap. 18 addresses the competition and rivalry between China and the USA. Chinese technological presence in Israel challenges the regional relations between China-Israel-USA cultural relations and the production of innovative technologies, which Yarrow and Zeying name "techno-nationalism" (see Richard Yarrow & Wu Zeying in Chap. 18). Meanwhile, evidence from the regional context of Southeast Asia has shown mixed responses from big ambitions (see Xiaoye She in Chap. 19), an ultimate argument to discuss power in the cultural context of BRI.

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CHAPTER 2

The BRI in a Multipolar World: A Normative Tool for Cooperation or Nationalism?

Megumi Nishimura

Introduction

This chapter examines the role of the Belt and Road Initiative (BRI), a Chinese proposal for economic assistance to other countries, and the twenty-first-century Maritime Silk Road (MSR) for a normative construct of China as a benign leader in a multipolar world. China has attempted to strengthen its multilateral diplomacy through the construction of the BRI. Western powers have criticized this, stating that China has notoriously stood on bilateralism or has unilaterally bullied its weaker neighbours through military or economic sanctions. Yet, China has continuously swung its foreign policy approaches of managing the capitalist and socialist states in corresponding to its shifting ideological and material positions. More than ever before, China as a world superpower has turned to multilateralism in its foreign policy, and it has come much closer to the multilateral mentality in viewing world political and economic affairs. Through

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the BRI project, China is attempting to transfer a norm that it has been a legitimate and benign regional leader in constructing a new world order. This chapter assesses the extent to which the BRI project has successfully achieved this attempt. The chapter also analyses what factors have caused this attempt to fail. This chapter looks for empirical and theoretical knowledge about the policy framework of the Chinese international project on the BRI. China has demonstrated high selectivity in signing the Memorandum of Understanding with the countries participating in the BRI, and it has placed the most emphasis and exerted the most influence on vulnerable but strategically significant countries, such as Pakistan and Iran. Because it is more than a collection of infrastructure projects, the BRI remains highly informal, thus flexible, unlike other formal institutions. Some questions arise concerning China's initiation of the BRI, as every government that is part of the world foreign policy circle watches it as an ambitious project. What role the BRI is expected to play in embracing China's global foreign policy for cultivating multilateralism? Does China's engagement in the BRI mean it is de-emphasizing its inclination to its bilateralism? In fact, what is the Chinese government's ultimate intention by so heavily investing in the BRI participant states, many of which have been financially insolvable? Do the BRI projects offer enough strategic and economic benefits to the recipient states that often have competing interests? Regarding the effects that the institutional characteristics of the BRI have on the long-term consequences of the initiative, how will the informal characteristics of the BRI strengthen or weaken China's influence in the multipolar world? In the long run, what strategic purposes does China aspire to achieve through the economic and financial projects of the BRI? Does the high selectivity of the BRI contribute to regional stability or deepen military and strategic competition around the region of the recipient countries? To what extent do the BRI projects contribute to the financially self-sustained institutional developments of the recipient states? Do the large-scale infrastructure projects of the BRI simply lead the recipient states to become aid-dependent through rent-seeking activities and corruption that would result in an institutional breakdown? This chapter discusses each of these questions in turn.

Flexible Selectivity of the BRI Participant States and Its Strengths

Chinese President Xi Jinping first announced an economic belt along the Silk Road and the twenty-first-century MSR during his visits to Central Asia and Southeast Asia in September and October of 2013, respectively. Since then, China has taken major steps to integrate these projects into what we call the BRI. At the Asia-Pacific Economic Cooperation (APEC) meeting, held in November 2014 in Beijing, President Xi declared that China would provide 40 billion USD to initiate the Silk Road Fund (SRF) for the investment in or financial support of infrastructure, resources, industrial cooperation, and other projects in countries along the BRI project (Zeng, 2016, pp. 518–519). In 2015, the official plans for the BRI were released by China's National Reform and Development Commission, which identified six core economic corridors, while establishing the Asian Infrastructure Investment Bank (AIIB) and the SRF (Clarke, 2018, p. 84). Thus, the BRI has become more than a mere list of revamped infrastructure projects; in fact, it is a grand strategy that advances China's ambition as a global power in the twenty-first century.

China declared Eight Principles on Economic Aid and Technical Assistance in 1964, the core content of which featured equality, mutual benefit, and no strings attached (Information Office of the State Council, the People's Republic of China, 2011). The emphasis on large-scale projects that produce fast results and non-interference in internal affairs further offers a generous rhetoric on Chinese aid for developing states that Western countries had already desolated, due to the insolvency as well as the domestic corruption after the Washington Consensus.

Thus, the Chinese government lists 138 countries that had signed a cooperation agreement with China under the framework of the BRI by 2020 (Wang, 2021, p. 5). The list of participant states includes not only Asian or Middle Eastern countries but also Central and Eastern European countries, including Russia, or Latin American states. Moreover, China signed the agreement with well-developed democratic countries, such as New Zealand and Italy. Eighteen of the 140 countries that had signed the Memorandum of Understanding with the Chinese government are also members of the European Union (EU) (Green Belt and Road Initiative Center, 2021). In fact, the participant states include nations from every continent.

The objectives of this endeavour include improvements in bilateral and multilateral cooperation, gaining access to natural resources, strengthening infrastructure connectivity, establishing free trade zones along the Silk Road that speed up trade and capital flow, and enhancing financial cooperation through a financial arm of the BRI project, such as the Asian Infrastructure Investment Bank (AIIB) (OECD, 2018, p. 10).

Although the Chinese government has allocated a massive amount of funds for this effort, outside scholars still find a shortage of sound and empirical expertise and knowledge about the potential future impacts of the BRI upon the multilateralism of China's global and regional foreign policy. Yet, many previous studies have analysed the governmental announcements and the impacts of these bilateral relations. Thus, how the recent Chinese ambition for multilateral diplomacy transcends the scope of the BRI as an informal collection of economic and financial projects still needs to be explored.

As China has already emerged as a Eurasian power, this ambitious project has induced a wide range of reactions around the world, from warm welcoming appraisals (Zeng, 2016) to outright suspicion (Lew & Roughead, 2021). Although the United States (US) and its allies have been suspicious of the BRI as a deliberate attempt to marginalize the strategic and economic interests of the US in this region (Chance, 2016, p. 1), many BRI participant states in West Asia, Africa, and Central Asia, where the US withdrawal has left a power vacuum, praise the initiative's infrastructure projects and China's principle of non-interference in internal affairs, as the democratic conditionality attached by international financial institutions has prevented China from giving additional financial support to many participant states.

While the BRI is a part of China's recent emphasis on multilateralism, Chinese multilateral diplomacy has turned out to be highly selective and flexible in its decision-making. For example, while the invitations of the BRI project are omnidirectional, its investments are highly selective. What is the criterion behind China's selection of multilateral involvement and its emphasis on offering financial resources? What are the consequences of this selective multilateralism? This chapter suggests the following answers.

First, China strengthens its status as a regional power, and even a world power, through the connectivity of the BRI project, and, unlike the United Nations (UN) or the International Monetary Fund (IMF), it aims to acquire influence and power that is not strictly bound to institutional coordination. Through its connectivity, China can secure the strategic alternate routes that transport natural resources, such as oil, minerals, or gas, from the Middle East and North Africa in case of an emergency in the Holms Straits. Energy investments for Pakistan or Russia have remained a priority despite the COVID-19 pandemic in 2020. Examples of China's investments in overseas transport include the Gwadar Port in Pakistan, the Karakoram Highway that connects Pakistan and China, and the Port of Mombasa in Kenya (Khan & Khan, 2019: Wang, 2021, p. 12). Consequently, Asia has continued to receive the largest share of Chinese BRI investment (about 54% in 2020), while investments in the African region declined due to the COVID-19 pandemic (Wang, 2021, p. 6).

Second, as foreign assistance from a leading country, such as the Chinese BRI, becomes more influential in internationally isolated countries, such as Iran, Pakistan, or Iraq, than aid from allies of Western countries, China has co-opted the countries that international financial institutions have abandoned into its own multipolar diplomacy, which diversifies the international power structure in favour of Chinese power and influence (Wu & Landsdowne, 2008, p. 8). While bilateral diplomacy can also achieve this purpose, multilateral diplomacy through the BRI can attract countries through its economic incentives without alienating the opposing countries or arousing hostility among regionally competitive countries. Thus, the BRI effectively becomes an image-improving and legitimacy-gaining tool.

Because China's BRI includes countries that are often financially insolvable that have been isolated from Western power, China plays a major and dynamic role in shaping and harnessing a new regionalism in the Chinese periphery, such as Central Asia or South Asia through the BRI. In these Chinese periphery areas as well as East and Southeast areas, the Chinese political system's low transparency and accountability arouse suspicions about China's rise as a regional power, despite the economic and financial benefits that the BRI would offer. Thus, multilateralism becomes essential to alleviating these suspicions among foreign neighbours at the lowest cost (Wu & Landsdowne, 2008, p. 12), and the BRI turns out to be a convincing tool to complement the Shanghai Cooperation Organization and the ASEAN + 1.

While China is not yet powerful enough to exclude the US, even in BRI-related regions, including the Middle East or even East Asia, especially in relation to security issues, the soft non-confrontational multilateralism combined with the power of the BRI-offered economic incentives provides an instrument to enable the recipient states to resolve disputes in favour of China (Wu & Landsdowne, 2008, p. 13; Kastner et al., 2019).

Informal relations with the participant states in the BRI have given China a strategic presence and enabled it to cultivate strong working relations with Central Asian states whose stability is crucial for deterring Uighur destabilizing elements, although China's presence has not yet been powerful enough to replace the US in the ASEAN region. In the Middle East where the BRI participant states have come into conflict with each other, the informal coordination of the BRI has reduced the hostility.

Moreover, the flexible, non-confrontational, and inclusive characteristics of the BRI embrace traditional US allies in the developing world, such as Kenya, as well as developed counties that are EU members, such as Italy. Italy has nurtured maritime relations with China, as most China-European trade comes from ships, and after China acquired the Greek port of Piraeus in 2016, the Mediterranean became a hub for China (Bindi, n.d.).

The informal multilateral interactions of the BRI have contributed to regulating the maritime disputes in the South China Sea. There were two military skirmishes between China and Vietnam in 1973 and 1988 over the South China Sea islands. Tensions also arose between China and the Philippines and between China and Malaysia. As a key player in signing the Code of Conduct of the South China Sea, China gradually recognized the benefits of negotiating at the regional and multilateral levels (Zou, 2008, pp. 152–153). The MSR project, along with the land part of the BRI, seems to contribute to stabilizing the region, as China needs to obtain the economic benefits it gains from the MRS.

Finally, as the BRI's multilateralism offers legitimate rhetoric for the participant states, the initiative can transplant the Chinese developmental state model as a soft power abroad (Rolland, 2017, p. 138); that is, China can remain politically authoritarian, while economically being open to capitalism. The eight principles of China's foreign aid policy, including non-interference in the internal affairs of the recipient states, self-sufficiency, achieving fast results, knowledge transfers, and offerings of low-interest loans, make the Chinese developmental model attractive for the BRI states that the Western powers had abandoned after the debt crisis in the Third World where many heavily indebted countries fell into insolvency.

Especially, the principle of non-interference in internal affairs makes the Islamist states feel less uneasy about joining the BRI, despite the Chinese government's recent crackdown on Uighur Muslims. Thus, while having signed the Memorandum of Understanding with China, despite their Islamist inclinations and mutual political frictions, Pakistan, Iran, and Iraq have sent their young students to China to study to engage in cultural exchange. For instance, by mid-2018 approximately 22,000 Pakistani students have studied medicine, engineering, and other subjects in China.

By 2018, 60,000 Pakistani nationals were employed in the China-Pakistan Economic Corridor (CPEC) project as a part of the BRI project, while 19,581 and 20,000 Chinese nationals were hired in the CPEC project and the non-CPEC project, respectively (Zaidi, 2019, p. 220). In this manner, while China's soft diplomacy successfully enables it to legitimize its norms as a developmental state and a newly emerged world power, the BRI project has awarded huge lucrative contracts to Chinese firms and hired several Chinese rural surplus personnel and local workers.

The BRI Project as a Hindrance of Normative Transfer

Despite the above-mentioned strengths of flexibility and selectivity, the BRI has potentially damaged China's legitimacy in several ways. First, while China has invested a large amount of money in countries from which the Western powers' development projects have failed to collect debts, there has been no clear prospect of avoiding financial risks in the BRI recipient states. For example, the economic viability of the BRI projects in Myanmar, Sri Lanka, Pakistan, Kyrgyzstan, Kenya, Zambia, Uganda, and Zimbabwe turned out to be questionable. Chinese projects often exacerbated environmental problems and the huge inflows of Chinese businesses had a negative impact on local businesses, increasing unemployment rates (Lew & Roughead, 2021, pp. 42, 44–45; Rolland, 2017, pp. 156–158). These negative consequences, as well as the corruption in local government in appropriating Chinese projects, have resulted in protests against the projects as well as the Chinese labourers, and deepened ethnic divisions, for instance, in Kenya (Lew & Roughead, 2021, p. 47).

Not surprisingly, these economically unviable projects were abetted by corruption in the recipient states and in China. The large-scale Gwadar Port project in Pakistan and the project to expand the Port of Mombasa in Kenya remain strategically vital yet economically unviable. Officials of the BRI admitted that 80% of the investments in Pakistan would be lost

(Miller, 2017, p. 193) due to corruption and economic inefficiency. Corruption and bribes have damaged the local democratic institutions and viable economy, which not only reinforces the authoritarianism of the local governments, but also deteriorates the prospects of recovering the debt. In fact, US officials are now seriously concerned about the possibility that the large-scale Chinese investments will trigger a world debt crisis in developing countries (Lew & Roughead, 2021, p. 42). These potentially negative consequences as well as the domestic economic crises increase regional rivalry and economic nationalism.

Furthermore, the BRI projects have stimulated strategic and political rivalry in the regions where several participant states have already demonstrated politically frictional relations. A prominent example of this includes the confrontational relations between India and Pakistan, as well as among Afghanistan and its neighbouring countries. As the bilateral relationship between India and China became more cordial after the Cold War, India joined the AIIB, an actual financial component of the BRI project, due to its smaller scale of budgets and its less-threatening characteristics. Despite this realism in the economic sphere of the Indian government, its fear of the recent enlargement of China's power projection in the South Indian Ocean has deterred India from joining the BRI project (Kumar, 2021, pp. 5–7; Kandar, 2019).

Although the diplomatic relations between China and India have recently improved and the countries have coordinated policies for anti-piracy and anti-terrorism operations, several Indian policymakers and academic commentators have raised multiple concerns about the BRI projects, noting that they do not serve Indian interests due to the security dilemmas that the ambitious BRI has provoked. Moreover, the subsequent developments in these neighbouring countries indicate that cautious observations are required to further reassess the financial risks of debt insolvency and the regional tensions that BRI would provoke.

The road through the seriously indebted Pakistan, as well as the Gwadar Port project, has triggered a significant amount of apprehension in India, which, historically, has disputed the Kashmir attribution. The Chinese large-scale infrastructure projects in Sri Lanka and the Maldives as well as the inauguration of the People's Liberation Army's first overseas base in Djibouti in 2017 seem to represent expeditionary operations to project China's military power both in the Indian Ocean and in South Asia (Singh, 2019, pp. 201–203). These projects have constantly raised concerns among India's policy circle, along with deepening China-Pakistan relations through the BRI project (Kandar, 2019).

Communication technology and military equipment, though not state of the art, are potentially other sources of regional nationalism among conflicting countries, such as the relations between Afghanistan, Iran, Saudi Arabia, and Pakistan. In fact, the biggest recipients of Chinese military weapons among the BRI participant states have been Pakistan, Myanmar, and Bangladesh from 2014 to 2020.[1]

Many Western observers have questioned whether Chinese BRI investments and infrastructure projects benefit these recipient countries, including Pakistan, Sri Lanka, Myanmar, Tajikistan, and many parts of Africa, after China's investments in these countries turned out to be financially insolvable. The sky-rocketing costs and the debts incurred by the BRI projects have caused these indebted countries to agree to hand over portions of their own lands to China in lieu of unpaid debt. Similarly, Sri Lanka ceding control over the Hambantota Port to China to ease its debt and the case of the Gwadar Port in Pakistan demonstrate that many BRI projects turned out to be economically unviable as well as a risky strategic gamble (Zaidi, 2019, p. 222).

Especially after the COVID-19 pandemic, as economic distress derailed many BRI countries, some BRI projects have been accused of being a debt-trap lending scheme, whatsoever China's intentions, which has quickened and reckoned the BRI-related debts (Lew & Roughead, 2021, pp. 29–30). Thus, in the future, the most grievous peril related to the large-scale BRI projects will be the economic and institutional collapse of state institutions and the subsequent rise of radical nationalism and religious fundamentalism that would attract the economically distressed local intellectuals and masses (Noraiee, 2020, pp. 72–85).

Conclusion

China has attempted to develop its strategic, political, and economic goals as a benign hegemony in a unipolar world through the BRI project. While remaining authoritarian, under-developed, financially insolvable, and politically isolated from the Western world, the recipient states participating in the BRI projects have embraced the infrastructure projects with

[1] The author's own creation of import/export TIV Excel table from the SIPRI arms transfer database of Stockholm International Peace Research Institute (2021).

their low-interest rates or even free loans that had attached any conditionality of interfering in internal affairs except for the relations with Taiwan. The legitimacy rhetoric through multilateralism further appealed to other countries along the original Silk Road, such as those in Africa or Southeast Asia, on the issues in association with both maritime security and maritime law, or even Western countries, such as Italy or New Zealand. While the flexibility of the BRI's multilateralism has attracted mutually frictional countries, this potentially enables China to take a leadership role in solving regional disputes without much US influence.

Nevertheless, the BRI project has now become troublesome and the source of problems for the recipient states as well as Western countries due to the debt crises related to the insolvency of many of the participating countries. An additional risk related to insolvency is that countries with a large amount of debt, such as Tajikistan or Sri Lanka, ceded chunks of land to China in exchange for their unpaid debts (Zaidi, 2019, p. 222). Thus, the BRI projects undermine global macroeconomic stability and may lead to debt crises soon. Consequently, the insolvable recipient countries become strategically and politically dependent upon China, while its multilateralism gives the Chinese government more flexibility to project its soft power oversea.

The Western lending states also share responsibility for the predicaments of the developing countries, which China's BRI projects stepped in to address. Thus, the Western countries should raise the potential financial risks related to the BRI and offer technical assistance as well as economically viable developmental projects (Lew & Roughead, 2021, pp. 5–7), since many recipient states seem to have joined the BRI due to the recent lack of Western assistance to their countries. Western countries should also demonstrate a firm commitment to solve regional problems, such as the South China Sea issues or the Iranian nuclear problems, through existing multilateral frameworks, such as ASEAN or the NPT.

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CHAPTER 3

Margins of Autonomy in the Chinese Belt and Road Initiative: Negotiating Growth in Rural Angola

Brad Safarik

Introduction

This chapter investigates the role of China's loan diplomacy within the overall framework of the Belt and Road Initiative (BRI) in changing the trajectory of the Angolan government's calculation of how best to deploy resources destined to rebuild the rural economy after the end of the civil war in 2002. This perspective of growth trajectories is an underappreciated aspect of China's engagement with the African continent. The new arrival of these bilateral financial resources not only offered access to a vast range of projects and policies, but their implementation provided African regimes with major opportunities to project and solidify their national visions into key areas of their countries. China's role here is fundamental: If not solely by facilitating major investments made by their African counterparts, doting their countries with much-needed infrastructure assets,

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then by offering an alternative growth model that has allowed for more margins of autonomy from external oversight while negotiating their state-building strategies. In this study of Angola, this bilateral relationship had the consequence of strengthening an authoritarian regime's grip on the rural economy, thereby better controlling peripheral spaces where the state has historically struggled to establish a durable presence. The Belt and Road Initiative was instrumentalized by Angola's elite class to strengthen its authoritarian hold on rural spaces.

Back in 1975, Angola's deep endogenous divides, wealth of vital natural resources, and key geopolitical position had put it at the centre of ideological battles vying for influence on the African continent. Under constant internal and external pressure after liberation from Portugal's colonial control, achieving strategic autonomy from outside influence had been a key objective of the ruling elites. To do so, Angolan officials adeptly navigated the diplomatic waters of emergency and developmental assistance, while deploying oil reserves to curry favour and build international partnerships. In the quest of reconstructing the state and the notions of nationhood in the early 2000s, Angolan authorities were offered an opportunity to deepen its Global South ties with China, thereby mostly bypassing the waning influence of the imposed structural adjustment programmes and diluting the loan conditions imposed by Western donor countries and institutions. While analysts were debating the different phases of democratic transitions in Africa, China arrived with resources that offered Angola an entirely different path (Brautigam, 2009, p. 276). As a result, the authoritarian regime of José Eduardo dos Santos consolidated its power, ceding little control over the mechanisms of its own state-building agenda. This historic conjuncture reveals key details about how Angolan elites have exploited strategic partnerships such as China's to strengthen objectives of authoritarian control over the country's rural political economy, combining two key elements of my research within illiberal governance structures operating on the African continent.

This chapter is based on doctoral research supported by 3 months of fieldwork between July and September of 2017 in Luanda and the province of Huíla, including visits to Lubango and the Gambos. The ambiance of the historic presidential elections in August 2017 provided advantages and disadvantages to the research mission. Political discussions with local actors were both candid and surprisingly accessible given the lingering legacy of untrustworthiness instilled through decades of civil war. Fourteen interviews were organized with a variety of actors, ranging from NGO workers, Catholic priests, MPLA party officials, and farmers. Access to local peasant communities was severely restricted, notably in the Gambos, due to concerns about the politics around the election. A special emphasis was made on collecting a maximum range of grey literature linked to rural development to compensate for the rarefied community access.

Stemming from this research, this chapter first puts China's timely arrival into Angola's historical context before later describing how the Belt and Road Initiative (BRI) has transformed the rural economy by permitting Angola's leaders key leverage in implementing their own vision of reconstructing the state, thereby hardening the links between the government and its peoples. The resulting illiberal, neo-modernist economic model was deployed with few tools put in place to ensure efficiency, feasibility, or proper maintenance of assets built through the Sino-Angolan partnership, putting into question the true value of the Belt and Road Initiative in Angola.

The Context of China's Role in Angola-Global Influences Wax and Wane

Entering a globalized twenty-first century, one of the main vehicles for transforming rural Angola and improving the livelihoods of some of the most vulnerable populations was the Comprehensive Africa Agriculture Development Programme (CAADP), the rural economy wing of the continent-wide New Partnership for Africa's Development (NEPAD) initiative. Established by the African Union in 2001, it was centred around a four-pillar strategy: (1) land management and reliable water control systems; (2) rural infrastructure and trade-related capacities for improved market access; (3) increasing food supply and reducing hunger; (4) Agricultural research, technology dissemination and adoption (2003, pp. 12–17). The need to rebuild the infrastructure of Angola's rural economy was laid bare through the six-volume NEPAD report concluded in 2005, coming only 3 years after the end of the war. Irrigation, extension services, rehabilitation of rural marketing, and agro-processing infrastructure were all highlighted as pivotal areas of investment to rebuild the sector, laying out a clear diagnostic of the problems facing the rural economy and a technocratic strategy to achieve its rehabilitation.

Angolan authorities showed initial interest, allowing the FAO, the European Union, and USAID, among other donor and cooperation agencies, to coordinate with the Ministry of Agriculture and Rural Development (MINADER) with NEPAD officials in the country to analyse the sector, proving that the government was cognizant that the rural economy required serious attention. The government was however resistant to pressure from perceived foreign "meddling" in domestic affairs, deciding to not join the programme. These actions provide one of the first clear indications of the government's post-war intentions to remain independent from potential foreign oversight of the decisions taken for investment and project implementation. The simultaneous arrival and discussion with Chinese officials on financing the rebuilding of the country provided the opportunity to escape subjugation to accountability measures related to "socio-political reforms or good governance" (Faria, 2013, p. 309). This pivotal moment of choosing partnerships and pathways shows the decisions made were ideological, rather than financial or technical. By bypassing unwanted questions including transparency, democracy, free press, or good governance, China's financial banking put Angola in the position to forego the CAADP's constraints while adopting many of its recommendations.

Building Preferred Partnerships

Settling the civil war allowed the country's elites to forge a sense of nationalism that could finally spread throughout the sovereign territory. Given its weak presence in large swaths of the countryside, this spread would be more theoretical than reality. For it to become reality, the leaders would be forced to look beyond national borders and re-engage with an open world ready and willing to strengthen new connections. China's historic engagement with Angola through oil-backed loans sits at the crossroads of the Economic Belt of the Silk Road and the twenty-first-century Maritime Silk Road (Jung et al., 2020, p. 2). The result of marathon loan negotiations was a series of oil-backed loans eventually compiling over US$4.5 billion worth of credit extended by Chinese banks (Zhou, 2015, p. 2). Supercharged with the arrival of China's financial assistance, not only could the new ruling class rebuild a new Angola on its own terms, but the social, economic, and political reconstruction would be done on the terms of the victorious Popular Movement for the Liberation of Angola (MPLA) party, structured to secure its hegemony across all sectors of society.

However, while China offered a separate option than the aid conditioned by the World Bank or the Paris Club, its loans do not in fact respect the supposed "non-interference" in domestic affairs of its bilateral partners. Besides China's insistence on countries not recognizing Taiwan's independence, a clear direct interference in a country's sovereign diplomatic relations, these loans come attached with several other conditions including the requirement of contracting Chinese firms often employing their own employees. Rather than the conditioned aid, this loan practice has been qualified as "tied aid" by Mozambican economic analyst Ericino de Salema (Cascais, 2016) or "rogue aid" by the Venezuelan journalist Moisés Naím (2007). In the terms of distribution of the Chinese loans described below, Angola "had little input in these arrangements" given that the financing through the state-run banks "was provided directly to Chinese firms" (European Commission, 2009, p. 97). Nevertheless, Angola preferred to go about the country's reconstruction supported by the fruits of parallel bilateral negotiations with China that had been ongoing alongside the NEPAD proposals.

The Chinese financial assistance brought forward enormous transformative potential in key areas of Angola's economy. The economic model that emerged was well-suited for the coastal Angolan elites who had come to rely upon an extraverted economic model of oil exports and who sought to impose their anchored ideology of modernization and centralized decision-making upon the rest of the economy. With the civil war winding down, the government had its first serious opportunity to take a step back, survey the damage, and envision a roadmap for rebuilding the country in its own image. This led to an illiberal state-building model (Soares de Oliveira & Taponier, 2013) that served a loyal minority through state patronage and clientelism over the common good of a truly national reconstruction effort. The consistent mismanagement of funds, poor implementation, and low-quality services that came to hallmark Angola's governance are all affected, to various degrees, by this endemic problem.

Angolan Mode of Business Meets China's BRI

The unique framework of this cooperation agreement cutting out protocols for systemic programme evaluation by dictating favourable terms via oil-backed loans came to be known as the Angolan Mode of business allowing the Angolan leaders a level of financial freedom that was rare for a developing country in desperate need for foreign financing (Soares de Oliveira & Taponier, 2013, p. 56). This timely bilateral diplomacy and economic cooperation shepherded in a new paradigm of financing development in Angola. China's loan diplomacy through its Belt and Road Initiative brought much more than infrastructure, finance, and investment. The loans provided foreign leaders with the leeway to conceive projects that would have rarely been possible if put through the rigid processes of evaluation and feasibility studies demanded by other major bilateral or international lenders. This effectively freed up governments to not only build major infrastructure projects but also to further political agendas that could foment public support of political legitimacy for Angola's leadership, which otherwise has a reputation for corruption and diminished capacities of good governance.

The first Chinese loan contributing to the National Reconstruction Program was established in 2002, concentrated on the rehabilitation of transportation and electrical infrastructure. Shortly afterwards, the Chinese Ministry of Trade and the Angolan Ministry of Finance set up a framework agreement in late 2003 that would lead to a major escalation in economic and financial cooperation with a US$2 billion oil-backed loan (Campos & Vines, 2008, p. 6). These loans were issued at a strategic diplomatic moment, alongside the creation of the Macau Forum, founded in 2003, destined to strengthen ties between China and Portugal's former African colonies organized through the Community of Portuguese Speaking Countries (PALOP).[1] This historic loan led to multiple concessionary construction contracts creating a roadmap for further cooperation. The specific timing of the loan being negotiated in late 2003 is even more interesting when considering the initial engagement and then rejection of the NEPAD rural rehabilitation programme, which concluded in December 2005, especially considering the extent that these Chinese loans corresponded to many of the recommendations set forward by the CAADP framework.

While the timing was extremely convenient for both parties, as we will demonstrate, short-sighted victories came with an extremely costly price tag. According to Elias Isaac in his activism on transparency and anti-corruption in Angola through the Open Society Initiative for South Africa (OSISA), he found that "the Chinese loans into Angola are not accounted for in the national budget so [...] nobody can track Chinese investment in

[1] Only São Tomé & Principe was excluded from the Forum as they recognized Taipei at the time, later breaking diplomatic relations in 2016.

Angola" (Open Society, 2013).[2] These investments into the Angolan government's National Reconstruction Program were managed through the *Gabinete de Reconstrução Nacional* (GRN, Angola's Reconstruction Office), "which is exclusively accountable to the Angolan presidency" (European Commission, 2009, p. 97). These hundreds of millions of dollars nominally destined for rebuilding the rural economy follow the opaque nature of Angolan finances, with José Eduardo dos Santos' Reconstruction Office the sole arbitrator, raising legitimate concerns on how exactly the money would be invested into a country in dire need of reconstruction. Investment was designed to cement the government's control over three key sectors: the mechanization of the agricultural sector, the creation and maintenance of irrigation canals, and the construction of agro-industrial farms.

The BRI's Transformations of Angola's Rural Economy-Mechanization

Of the initial $2 billion oil-backed loan for major public investments in infrastructure, the first major wave of contracts went towards "energy, water, health, education, communication, and public works" (Campos & Vines, 2008, p. 6). In the rural economy, these contracts principally financed the acquisition of mechanized farming tools, notably tractors, as well as the construction of irrigation canals. In 2004 Angola signed a contract worth US$22,368,090[3] to purchase agricultural equipment, machines, and tools from China Machinery Engineering Corporation (CMEC) for the *Empresa Nacional de Mecanização Agrícola* (Mecanagro, National Agricultural Machinery Company) and the *Instituto de Desenvolvimento Agrário* (IDA, Institute of Agrarian Development) (Dreher et al., 2017). Mecanagro is a public company founded in 2001, tasked with preparing the groundwork (both figuratively and literally) for Public-Private Partnerships in the agricultural sector, while the IDA was revamped after the war in 2003 to coordinate agrarian development policy between the Ministry of Agricultural and its local implementation.

[2] Sourced from a roundtable discussion organized by Corruption Watch, a London-based NGO, held in Washington, DC, on 2 May 2013.

[3] The loans were a portion of a much larger US$2 billion credit line committed the same year.

The issue of mechanization in the countryside has been a habitual problem in Angola's agricultural sector. For example, in 1986 "more than 70% of its tractor fleet was inoperative due to lack of spare parts and maintenance problems", worsened by each donor trying to promote their own brands (UNDP & World Bank, 1989, pp. 236–237). The new tractors in question arrived for the 2006–2007 agricultural season, without replacement parts and without those parts being available on the market (Nogueira, 2009, p. 3). China's Exim bank provided another loan of US$40 million in 2012 to Mecanagro to rehabilitate the country's infrastructure (Angop, 2012), which again did not translate into introducing machinery into the agricultural sector. Mecanagro had been "practically totally absent" for decades in the rural zones due to difficulties in the repair and maintenance of their tractor fleet (World Bank, 2006, p. 111). Due to its historical inefficiencies, Mecanagro was set to be shut down in late 2018 (IFC, 2019, p. xxiii).

Irrigation

Irrigation, as identified in the NEPAD assessment, was a pivotal piece of the infrastructural puzzle. In addition, its crucial role in mitigating the impacts of climate change notably affecting the southern portion of the country further incentivized serious investments. In 2003 the overall potential area identified for irrigation was 6.7 million hectares, with 3.7 million hectares presiding in areas of small-scale and lowland irrigation schemes. Of these areas, only 64,750 hectares were found to have some type of irrigation system in place, though only 39,750 of those hectares were partly/fully operational (NEPAD, 2005, 3). The task ahead was immense. In 2005, the same year NEPAD finished its study, the government created the public company *Sociedade de Desenvolvimento dos Perímetros Irrigados* (SOPIR, Development of Irrigated Perimeters in Angola), tasked with rehabilitating the irrigation capacity of new and existing fields, as well as preparing against irregular climatic events.

The Chinese loans financed a large part of this new company's activities, notably the rehabilitation of various irrigation systems scattered throughout the territory in Luena (Moxico province), Caxito (Bengo), Gandjelas (Huíla), and Waco-Kungo (Kuanza Sul) (Campos & Vines, 2008, p. 6). SOPIR's rapid development and deployment lacked both experience and a regulated process of testing and monitoring before moving directly into the field. It ran into similar problems affecting all the institutions tasked with rebuilding the rural economy, namely financial difficulties as well as incoherent policies and investments. In 2008, it was estimated that 40% of the colonial-era irrigation systems were operational, integral to 100,000 hectares (CCPE, 2008, p. 125). After five years and $110 million, SOPIR projects had been enacted across ten provinces[4] and assessments found that every project underperformed (CEIC, 2015, p. 105).

Overall, the irrigated perimeters were unable to sufficiently support agricultural production due to a combination of (a) lack of productive capacity of land chosen for irrigation, (b) poor choice of location to irrigate, and (c) lack of basic infrastructure to accompany irrigation projects, namely electricity (IFC, 2019, 71). The $110 million corresponded to more money than envisioned under the CAADP project proposal "Irrigation Rehabilitation and Sustainable Water Resources Management" estimated to cost US$315 million over five years, with the government contributing 30% of this total, or US$94.3 million (NEPAD, 2005, p. iv). The government attempted to follow some of the NEPAD recommendations but sought to go it alone to exert full control over the process. This decision was both more expensive and led to mediocre results (Table 3.1).

Furthermore, after the arrival of João Lourenço to the presidency, SOPIR was found to owe over 2.5 billion kwanzas in back pay dating to 2015 for its workers in Moxico and Huíla provinces, which led to a secondary problem of sabotage and vandalism of farming equipment attributed to dissatisfied workers (Angop, 2018). Three hundred workers went unpaid and those working in the provinces had been forced to abandon their posts to find other ways to earn a living (Nascimento, 2018). The incoming government decided to pass a presidential decree no. 254 of 12 November 2018 to ensure worker compensation (Government of Angola, 2018). All in all, SOPIR's legacy of irrigation amounts to 105,000 hectares of the estimated 5,744,815 land under production, totalling approximately 0.2%, while the rest of the land depends on natural climatic conditions (Ministry of Agriculture, 2012, p. 32). The solution for this poor performance offered by the government has been to begin a search for reliable private investors to take over the public investments. SOPIR is currently in the process of privatization.

[4] Matumbo (Bié), Caixto (Bengo), Missombo (Cuando Cubango), Calueque (Cunene), Matala, Humpata, and Ganjelas (Huíla), Caála (Huambo), Waku Kungo (Kuanza Sul), Quiminha (Luanda), Kapuepua (Luanda Sul), and Luena (Moxico).

Table 3.1 Agricultural irrigation projects financed by Chinese loans

Project name and location	*Size & activity*	*Responsible entity*	*Financing source*	*Status as of 2019*
Humpata (Huíla)	1300 ha	N/A	China Development Bank	N/A
Ganjelas (Huíla)	6220 ha Citrus production	Soganjelas (to be privatized)	China Development Bank	Partially in production
Caxito (Bengo)	3600 ha Fruits (banana production)	Caxito Rega	China Development Bank	In production
Luena (Moxico)	1000 ha	Cachito Rega	China Development Bank	Partially in production

Source: IFC, *Creating Markets*, 73 https://www.ifc.org/wps/wcm/connect/454d71e2-c965-4951-83b1-ae469d9f1e67/201905-CPSD-Angola-English-v2.pdf?MOD=AJPERES&CVID=m-PVp8R

N/A signifies information not available

Agro-Industrial Farms

The 2004 loan further transformed the Sino-Angolan partnership by moving the government's economic activities directly into the production stage (Ferreira, 2006, p. 28). The plans called for the construction of seven agro-industrial state farms, constituting a massive investment by the government into a rural economy that had been neglected until the establishment of this new policy. If established as designed, these seven agro-industrial farms would have the potential to become a central driver of the rural political economy. The contracts called for a 5-year-development plan, with the first half dedicated to initial construction and preparation while the latter stages would train the Angolan counterparts to run the complex farm systems themselves (Zhou, 2015, p. 3). The farms are located throughout the country and each one specializes in specific products (Table 3.2).

Each farm represents a major economic investment for Angola, especially compared with the meagre budget the government traditionally allocates to the combined agriculture, fisheries, and forestry sectors, never once surpassing 2% of the annual budget since at least 2001. However, the farms were subject to severe managerial and financial instability provoked by the administration of President José Eduardo dos Santos as he proclaimed presidential decrees passing the farms between various institutions

Table 3.2 Chinese built agro-industrial State farms

Farm	*Location (province)*	*Chinese contractor*	*Year project began*	*Status*	*Loan amount in (US$ millions)*	*Dimension (ha)*	*Main goods produced*
Pedras Negras	Malange	CITIC	2011	Partial production	160	10,000	Maize, soy, beans, animal feed production
Sanza Pombo	Uíge	CITIC	2012	Partial production of rice and cattle	87.5	9000	Rice, cattle, maize, coffee
Longa	Cuando Cubango	CAMCE	May 2012	Partial production	76.6	1500	Rice
Camacupa	Bié	CAMCE	2012	Partial production (community land conflicts)	88.6	3000	Maize, soy, aquaculture
Cuimba	Zaire	CEIEC	Jan. 2014[a]	Partially in production (170 jobs)	68	3000	Corn, soy, eggs, poultry
Camaiangala	Moxico	CEIEC	2013	Partially in production (50 jobs)	79	5000	Maize, soy, pork
Manquete	Cunene	CEIEC	2014	Paralysed in 2017, partially in production	85.5	2000	Rice, maize

Source: Zhou (2015: 3); IFC (2019, pp. 74–75) during their key formative years. Once João Lourenço came to power, various reports painted a devastating picture of the dysfunction of the farms (Club-K, 2018; Aleixo, 2018; NJOnline, 2018; Anjos, 2018). Some declared that all the farms are oversized beyond the capacity of local production potential, presenting high levels of degradation due to their inability to turn a profit, and ran the risk of becoming "white elephants" due to their myriad problems (Malaquias, 2018). Further, officials found abandoned grains on the farms of Cunene (Manquete), Bié (Camacupa), Mexico (Camaiangala), Sanza Pombo (Uíge), and Longa (Cuando Cubango) that had never been commercialized due to the institutional malfunction (Madalena & Mualimusi, 2018). In a country where malnutrition and hunger and endemic exist for many, such mismanagement was especially troublesome.

After years of institutional instability, the state farms returned under full government control and were put back under the auspices of the public company Gesterra and set for privatization. As part of the strategy for the National Development Plan (NDP) 2018–2022, the Ministry of State for Economic and Social Development was put in charge of preparing the farms for a final handover to private interests organized through an international bidding process (IFC, 2019, p. 24) (Table 3.3).[5]

In June 2019, the government officially launched the public tender for the farms of Longa, Camaiangala, Cuimba, and Sanza Pombo in 2019

Table 3.3 Privatizing the agro-industrial farms built with Chinese loans

Farm (location)	*Initial credit value (US$ millions)*	*Proposed selling price (US$ millions)*	*Change in value*
Cuimba (Zaire)	68.0	35	-48.5%
Longa (Cuando Cubango)	76.6	29	-62.0%
Sanza Pombo (Uíge)	87.5	22	-75.0%
Camaiangala (Moxico)	79.0	24	-70.0%
Total	311.1	110	-64.6%

Source: Angop, "Fazendas em privatização avaliadas em USD 110 milhões", *Agência Angola Press*, Luanda, 11 Sept. 2019; Zhou (2015), author's calculations

[5] In total, President Lourenço took over 24 agro-industrial structures, preparing them for private sector takeovers.

(Ministry of Finance, 2019, pp. 4–5). The other two farms, Manquete and Camacupa, have been handed over to the Angolan Armed Forces (FAA) (Lusa, 2018). Back under state management, the major risk now lies in the government's ability to find a willing private company that is competent, experienced, and ready to take on a large-scale investment risk that has so far yet to become profitable or demonstrate a capacity for financial sustainability.

Conclusion

The strategy of attempting to modernize the rural economy on an industrial scale carries with it political risks, whether by provoking local land conflicts or through its continued mismanagement where 9.6 million people still reside (IFC, 2019, p. 45). These major industrial investments are not designed for a significant impact on rural farmers apart from the limited employment opportunities dependent on the farms' competent management. Rather, the strategy was designed to consolidate the government's control over the country's rural areas, done so by inserting the state directly into the major nodes of the rural political economy. Bypassing multilateral partnerships, these loans overextended the state through the creation of state-owned enterprises (SOE) involved in mechanization, irrigation, and agro-industrial farms.

China's loans provided the crucial financial support to mobilize president Dos Santos' ideology of national reconstruction guided by an authoritarian modernization, setting the country down the path of his brand of economic nationalism (Cahen, 2012, p. 10). Through the "Angolan Mode" of doing business, cutting out protocols for systemic programme evaluation by dictating favourable terms via oil-backed loans, the government produced a governance system that provided little to no accountability if they could make payments and provide enough consistent economic growth to fuel hopes for improved livelihoods to everyday Angolans. Those disillusioned and willing to speak out were repressed. The economic struggles over the past years are putting serious stress on this model.

Upon the arrival of João Lourenço in late 2017, the dysfunctional state of the SOEs and the stagnating national economy pushed him to make a pivotal change in the political economy by privatizing or closing many of the SOEs involved in the described schemes. The reasons behind this decision represent a de facto admission that these projects were failures in the form they were implemented. Furthermore, beyond their systemic inefficiencies lies a more foundational problem in the form of rising debt risk. Angola is currently China's biggest borrower on the continent, amounting to over US$19 billion in loans equalling 50% of total external public debt (Brautigam et al., 2020, p. 10). The oil guarantees have so far secured debt restructuring negotiations with their Chinese counterparts, but more fundamental changes are desperately needed to enable Angola's economic diversification that will now remain heavily burdened while paying off ineffectual loans that served political agendas more than providing public goods.

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CHAPTER 4

China's Belt and Road Initiative in Three Diverse African Countries: A Comparative Approach

Theo Neethling

Introduction

China's Belt and Road Initiative (BRI) is currently of major political and economic significance to the African continent. The primary aim of the BRI is the building of infrastructure in countries through which the BRI will pass, especially in the transport, energy, and telecommunications sectors. Most African countries have signed up and thus form part of projects aimed at building transport and energy infrastructure in the relevant countries, especially ports, roads, railways, and power plants.

The BRI—the focus of this chapter—was initially introduced as an initiative for China to underwrite billions of dollars of infrastructure investment along the historic Silk Road, and in 2017, this was formally embodied in the Constitution of the People's Republic of China (Phiri & Mungomba,

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2019, pp. 2–4). The BRI is often described as a contemporary Chinese Silk Road and has increasingly enjoyed prominence in Chinese policymaking and economic planning as the BRI involves several state and business actors from several countries in different regions. The BRI is a global development project driven by President Xi Jinping and Beijing as an economic belt and a maritime road to promote cooperation across the globe and connect major markets in the Middle East, Asia, Europe, and Africa with China. This can be regarded as a uniquely ambitious infrastructure project, aimed at strengthening Chinese trade and business interests in several regions worldwide, including Africa. It thus represents an important platform for Beijing to exercise soft power globally (Neethling, 2019, p. 242).

Backed by secondary data sources, this chapter explains that China is not following any particular or singular BRI approach to countries on the African continent. The chapter attempts to explain that a variety of approaches are followed on the African continent and that the priorities of Chinese BRI investments on the continent differ from country to country. Following the introduction below, the BRI experiences of three countries in three different regions of the African continent are specifically discussed in this chapter, namely the Democratic Republic of Congo (DRC), Kenya, and Djibouti. The chapter also intends to reflect on the main political-economic strategic considerations underlying the BRI.

The DRC: Natural Resources

The DRC is of importance to China for several reasons. It has a surface area equivalent to that of Western Europe and is the largest country in Sub-Saharan Africa. The country is endowed with exceptional natural resources. In addition, it has enormous hydropower potential, significant arable land, immense biodiversity, and the world's second-largest rainforest. Another important point is that the DRC has the third-largest population of poor globally. From a DRC point of view, the BRI has the potential to accelerate economic development while reducing poverty in African countries (World Bank, 2021).

The DRC government under the leadership of former president Joseph Kabila saw China as an example of how a country succeeded in moving millions of people out of poverty and modernising its cities in a short space of time. Furthermore, because China managed to overcome its problems of poverty, it was an example to follow. Moreover, the DRC developed a fascination with China and pursued increased cooperation with Beijing, which followed years of failed and imposed Western political and economic interventions in Africa. In fact, President Kabila's model of development, dubbed as la Modernité, grew from an admiration for the Chinese economic miracle and a rejection or deep scepticism of dubious Western development approaches.

President Kabila's expectation that China would help with the reconstruction of the DRC was however unrealistic, although trade between the two countries showed an increase with minerals as the DRC's main exporting commodity to China. Statistics indicate that in 2016, 67,5% of China's cobalt needs production relied on imports from the central African state (Kabemba, 2016, p. 74).

A most important agreement between China and the DRC was concluded in 2007, namely the Sino Congolaise des Mines (Sicomines), which was called the deal of the century. This was an agreement that committed Beijing to build much-needed infrastructure in the DRC, especially urban roads, highways, and hospitals. In exchange, Chinese partners received mineral rights to mine cobalt and copper in the DRC. From the side of the DRC government, it was expected that the Sicomines deal would not only be instrumental in the building of infrastructure, but also that economic growth in the country would be boosted significantly as it was anticipated that tax revenue and inflows of United States (US) dollars would coincide with increased levels of mineral production. However, the Sicomines deal never lived up to expectations in the DRC. Unexpected costs and infrastructure project delays were some of the main stumbling blocks. Other obstacles that affected the agreement negatively were the poor quality of roads and infrastructure in the DRC, as well as inadequate environment and social impact assessments (Larrate & Quiroga, 2019).

In 2019, 6 years after China had started to adopt the BRI, only 14 African states had not signed MoUs with Beijing, including the DRC—despite Beijing's assertive push into the African continent (Dafir, 2019). Given the significance of the BRI for African countries, it naturally featured on the agenda of the Tshisekedi government. In January 2021, talks were held in Kinshasa between the Chinese and Congolese Ministers of Foreign Affairs, Wang Yi, and Marie Tumba Nzeza. Following these high-level talks between the governments of the two countries, an MoU was signed, providing for cooperation on the BRI. Wang Yi described the BRI as an important international cooperation initiative, which commits China to the promotion of economic complementarity between the relevant countries and the synergising of development strategies. The BRI further provided for the forming of joint development efforts and the realisation of common development and prosperity. With the DRC on board, 45 African countries have formally signed BRI cooperation deals. Foreign Minister Wang Yi consequently expressed the hope that the signing of the MoU between the two countries would send a positive signal to other actors in the global economy, namely that China and the DRC are committed to a partnership of common development and prosperity, and to create momentum that would benefit cooperation between the two countries (Ministry of Foreign Affairs, the People's Republic of China, 2021). To show its commitment to helping the DRC, China decided to waive some of the debt owed to it by the DRC to enable the central African country to recover from the economic fallout of the coronavirus pandemic (Rédaction Africanews, 2021).

The DRC is, however, a country with a long contemporary history of internal conflict and instability, especially in the Great Lakes region where many of the mineral resources are mined. In this context, China has given its full support to the DRC to assist in the rebuilding of the country and recovery from the impact of the many crises. In view of this, the BRI projects may facilitate better regional connectivity and even help with diversification as the manufacturing sector in the country is limited and overly dependent on mining. Improved infrastructure may thus assist the DRC to increase industrial production in the country and facilitate job creation and higher income levels (Goulard, 2021). Since 2020, more than 50 engineering projects have been under construction in the DRC by Chinese-funded enterprises, mostly involving the creation of infrastructures such as roads, drinking water, and electricity. The DRC also exports commodities to China such as mineral fuels and oils, timber, charcoal, copper, fish and aquatic products, ore slag, and ash (Devonshire-Ellis, 2021).

Kenya: Building Infrastructure

In Africa, the BRI is heavily focused on East African countries, including those in the Horn of Africa, such as Kenya. Other important countries in the region from a BRI perspective are Egypt, Djibouti, Tanzania, and Ethiopia. Irandu and Owilla (2020) state that the BRI aims at establishing Kenya as the new hub in Africa. First and foremost of importance as a BRI mega project in Kenya is the Mombasa-Nairobi 472 km Standard Gauge

Railway (SGR). This project is of great importance for three reasons. Firstly, it has the potential to bring substantial socio-economic development to Kenya, and secondly, it can generate government revenue through the railway development levy levied on containerised transportation from the port of Mombasa. Thirdly, it has the potential to boost intraregional trade-related integration in East Africa through better rail connectivity.

Kenya is regarded as one of China's major partners on the African continent, and the two countries have signed several agreements of cooperation. Importantly, since the establishment of the BRI, Beijing has seen the port city of Mombasa as a key building block in the realisation of the BRI on the continent. The main challenge identified in recent years was the need for an upgraded rail corridor between Nairobi and the port of Mombasa. The infrastructure was old, and a colonial legacy that deteriorated over many years. A far more efficient and competitive rail corridor was thus imperative for at least two reasons. First, it had to generate revenue through containerised transportation from the port of Mombasa, and second, it had to increase trade and boost regional integration through good rail connectivity (Irandu & Owilla, 2020).

In view of the above, Chinese Premier Li Keqiang and Kenyan President Uhuru Kenyatta publicly signed a US$3.8 billion contract aimed at building the 472 km SGR when the Chinese Premier visited Kenya in 2014. The plan was to link the port city of Mombasa with Nairobi, the capital city of Kenya, by means of a railway connection of ultra-modern standards, catering for high volumes and high-speed transportation of both passengers and freight (Irandu & Owilla, 2020). Other main BRI developments are the improvement of Mombasa port and the construction of a modern port at Lamu (Githaiga et al., 2019, p. 117.)

As much as 90% of the funding for phase 1 of the SGR, which amounted to US$3.8 billion, has come from the China Export–Import Bank. The China Road and Bridge Corporation served as the contractor and the railway line was built in accordance with Chinese railway design standards. Phase 1 of construction began in October 2013, and in May 2017, the SGR was unveiled, thereby closing a chapter of 110 years of reliance on colonial infrastructure. The significance of the project is clear in that the SGR is the largest project of its kind since Kenya gained independence in 1963. Passenger trains could now average speeds of between 80 and 120 km per hour in the case of freight trains and between 120 and 160 km per hour in the case of passenger trains (Irandu & Owilla, 2020).

Apart from the SGR, there are also several other BRI projects underway in Kenya, but the SGR is regarded as the flagship infrastructure project in Kenya for reasons of connectivity. It is also of symbolic importance as a Chinese BRI project of magnitude in one of East Africa's top economies. Beijing maintains that there are multiple gains for Kenya, including greater transport convenience for commuters between Nairobi and Mombasa, swifter freight transfers, which would be positive for job creation and stimulating Kenya's GDP growth, as well as mentoring and technology transfers in the form of study and training opportunities through a rail engineering academy (Renwick et al., 2018, p. 17).

The question is what China will gain from the SGR. Taylor (2020, p. 29) links the SGR to a broader context, "It [the BRI] is China's current global development strategy and seeks to construct an elaborate web of trade routes (and facilities to support this), all to be integrated within a China-centred trading network." Again, the focus of the BRI is heavily on infrastructure, which in the African context relates to much-needed connectivity, based on infrastructure cooperation by China and the AU as a regional continental organisation (Renwick et al., 2018). In this regard, Irandu and Owilla (2020) point out that phase 1 of the SGR from Mombasa to Nairobi opened a new era of cooperation between China and Kenya as Kenya serves as a gateway to East and Central Africa. They also argue that the SGR is aimed at opening a "fast-growing and progressively integrating region to Chinese and international trade and investment".

It should further be noted that China's involvement in the SGR has been controversial, particularly in view of Kenya's rising debt level because of the financing of the rail project. During the construction phase, allegations of poor employment practices by the Chinese operating company were also made, while concerns were expressed about high levels of Chinese migrant labour. These claims were not accepted by the Chinese government (Renwick et al., 2018, pp. 16–17), but the SGR is "emblematic of the promise and shortcomings of BRI in Kenya" (Yoeli, 2021). As much as it has shortened travel time between Nairobi and Mombasa by half, the project has also been controversial because of corruption and procurement practices, as well as a high price tag to the extent that Beijing declined to engage in building the final phase of the SGR. Fears among Kenyans heightened when it emerged that the SGR has been unprofitable and that the $4.5 billion project could not pay for itself, especially when it became public that the Mombasa port is serving as collateral for the SGR. It was realised that this situation is giving Beijing a considerable advantage over Nairobi, and today, the economics of the SGR are central to Kenya's debt concerns (Yoeli, 2021).

In view of the above, several authors link or compare Kenya's debt predicament to the case of Sri Lanka where the Sri Lankan government was compelled to hand over the port of Hambantota to a Chinese company on a 99-year lease in 2017. In the case of Sri Lanka, the Hambantota port failed to generate sufficient income to repay the loans from the China Export–Import Bank (Taylor, 2020, pp. 37–38).

Djibouti: Strategic Waterways and Extended Military Footprint

"China's presence in Africa's smallest country is far more extensive than just a military base." These are the striking words of Chaziza (2021) on Djibouti as an active participant in the BRI. As far as location is concerned, Djibouti is one of the most strategically located countries in Africa. It is at the far end of the Horn of Africa, and of special significance and importance for great powers is its proximity to the Middle East and its location on the trade and energy transit lanes between the Gulf of Aden and the Red Sea. Apart from being located at the crossroads of one of the busiest shipping lanes in the world, Djibouti could serve as a link to Europe, the Far East, the Horn of Africa, and the Persian Gulf. The country is therefore an ideal transshipment hub for cargo in and out of North Africa and the Middle East (Chaziza, 2018, p. 8). It can thus be stated that Djibouti's strategic location and geopolitical advantage have urged China to invest in this small country.

Evolving diplomatic relations between China and Djibouti over several years in various fields of cooperation were taken to a next level of engagement when China established a naval base in Djibouti in 2017. This base represents the first permanent Chinese military base beyond its own borders. As an active BRI participant, Djibouti also agreed to establish a strategic partnership with China to strengthen all-round cooperation between the two countries (Chaziza, 2021).

In 2017, Djibouti also opened a 690-hectare mega port, the multipurpose Port of Doraleh, after construction on the project had started in 2015. This port is an extension of the Port of Djibouti, which is 5 km west of Djibouti City. The Port of Doraleh is a facility with world-class facilities and its equipment was manufactured by a Chinese firm, Shanghai Zhenhua

Heavy Industries Company. The project was jointly financed by Djibouti Ports and Free Zones Authority and China Merchant Holding. With this facility, the relevant role players have sea lane connections with ports in Asia, Africa, and Europe (Africanews, 2017). Alam and Asef (2020) rightly describe the multipurpose Port of Doraleh as "the signature investment in Djibouti" and China's military base in Djibouti as "a turning point for China's foreign and security policy". As far as the former is concerned, the port relates to China's stronghold in the Indian Ocean, the Gwadar Port in Pakistan. From the Port of Doraleh, Chinese vessels envisage entering the Indian Ocean through the Gulf of Aden, and from there, the connection could be made with the Gwadar Port.

At the same time, the Chinese naval base in Djibouti facilitates and secures the trading routes through the Gulf of Aden and the Red Sea. In this regard, the location and proximity of Djibouti to key global shipping lanes obviously makes Djibouti an attractive location for China as a rising superpower with global maritime ambitions. Three years prior to the opening of the Djibouti military base, China entered into an agreement with Djibouti and started with the building of what was called "support facilities" and a base for naval rest and resupply. In Djibouti, a government announcement indicated that an agreement with China provided for a 10-year contract to lease the site at a cost of $20 million per year (Ploch-Blanchard & Collins, 2019, p. 2).

The establishment of the military base means that China now has an overseas military base alongside those of the French, Italian, Spanish, Japanese, and German militaries. In fact, Djibouti has long been recognised internationally as a country of international strategic significance. Ever since the establishment of Camp Lemonnier in 2003, the US expeditionary base in Djibouti, which was established alongside military bases from the French, Italian, Spanish, Japanese, and German armed forces, Djibouti has become a country of global strategic importance. The above means that the two largest economies in the world, the United States and China, in addition to several other major powers, currently have armed forces stationed in Djibouti (Neethling, 2019, p. 246). In the case of China, its facilities, by some accounts, could host up to 10,000 troops (Ploch-Blanchard & Collins, 2019, p. 2), although it does not seem that a substantial number of Chinese soldiers are stationed there currently.

The significance of China's military base in Djibouti should also be understood in the context of China's growing military involvement on the African continent. China's military's role in the Horn of Africa has evolved since Beijing became involved in international counter-piracy naval operations off the Somali coast in 2008 (Ploch-Blanchard & Collins, 2019, p. 2). Beijing has, in fact, stated from the outset that the base in Djibouti would be used as a facility to undertake maritime counter-piracy operations in the Gulf of Aden to which Chinese naval forces have contributed significantly since 2008. Beijing has also communicated that the base would be used to facilitate humanitarian relief, peace, and stability in Africa. This pertains especially to China's diplomatic initiatives to support efforts aimed at bringing stability to parts of the African continent, much of which pertains to Beijing's expanded (military) role in United Nations (UN) peacekeeping operations.

Lastly, like several other African states that signed up for BRI projects, Djibouti is a highly indebted country. An amount of US$1.4 billion was received in loans from Beijing to expand several projects, of which the multipurpose Port of Doraleh is just one example. Others include the Damerjog livestock export port, the Addis–Djibouti Railway (of which Djibouti's portion comprises US$492 million), the Djibouti–Ethiopia water pipeline, and the Djibouti port. Recent studies indicate that Chinese finance accounts for 77% of Djibouti's debt. Although some observers have recently inflated Djibouti's debt in their references to "billions", it can rightly be argued that for a small economy, such as that of Djibouti, to assume such high levels of debt is certainly problematic in general and particularly if one considers that the debt is owed to a single rising superpower (Taylor & Zajontz, 2021, p. 11).

Conclusion

What is clear from the above is that the BRI follows no standard African approach. There are a variety of approaches and heterogeneity of experiences in Africa, which are as varied as the respective African nations where the BRI is of relevance. The type of investment differs from country to country and relates to the profiles of the relevant country. In the three case studies under review in this study, the relevance of the DRC to the BRI most certainly relates to the fact that it is endowed with exceptional untapped natural resources. Hence, Beijing is involved in the creation of infrastructure in the DRC, mostly involving roads, drinking water, and electricity. The context in Kenya is entirely different from the DRC. In Kenya, Beijing aims to establish a new hub in East Africa. From the preceding discussions, the BRI focuses heavily on East African countries and both Kenya and Djibouti are natural BRI partners because they fit well into the Maritime Silk Road and the connection between Africa, Asia, and Europe. Unlike the DRC, Djibouti is not rich in natural resources, but its strategic location "on the eastern edge of the African continent and the western shore of the Indian Ocean" makes this small country of the utmost importance to BRI investment (Githaiga et al., 2019, p. 117) It is also envisaged that Djibouti will play a key role in Ethiopia's exports and imports from Europe, Asia, and the rest of Africa. In all three case studies in this chapter we see diverse, but equally carefully managed strategic Chinese investment in the three countries under review. The strategic significance however also differs from African state to African state, and thus we can talk about multifaceted and divergent BRI engagements on the African continent (Coetzee, 2021, p. 10; Dollar, 2019, p. 7).

There can be no doubt that the BRI enjoys relatively high levels of enthusiasm in the developing world, as most of these countries face substantial infrastructure deficiencies and shortages of funding and resources in their pursuit of higher levels of development. Despite the optimism among African states and leaders at large, this does not mean that the BRI does not face implementation challenges of which an increase in debt and concerns over a rising debt trap are most pertinent. In all three cases under review in the above analyses, indebtedness is clearly a most pressing challenge. Moreover, Taylor and Zajontz (2021, p. 8) argue that debt sustainability concerns in Africa have been further complicated by the global economic contraction that coincides with the Covid-19 pandemic, which leaves several African states, including Kenya and Djibouti as discussed above, in a dire economic state and close to the brink of default. In view of this, the BRI is often criticised for the creation of a so-called debt trap for African states.

Finally, no matter how massive the BRI is as a global project that covers an expansive geographic scope, it cannot bridge all the challenges and address all the infrastructure needs in Africa as the world's least developed continent. Still, the BRI should be acknowledged for what it is, namely one of the largest infrastructure initiatives in the contemporary global economy, and by far the most significant contemporary macro-project on the African continent and for many years to come. Moreover, even though many critics and observers have expressed valid reservations and criticism about the BRI, it cannot be denied that Africa, as the world's least developed continent, needs China's involvement in its pursuit of a better future and for achieving sustainable development goals—and this makes the BRI a plan of unprecedented significance in the contemporary political economy of Africa.

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CHAPTER 5

A Challenging Nation-State in the Middle East in Transition

Lilit Harutyunyan

Introduction

The Middle East has vital and strategic importance for the Chinese Belt and Road Initiative (BRI) as a key hub connecting the land and sea routes of Asia, Africa, and Europe. The strengthening of relations with the Middle East countries was facilitated by factors such as the absence of China's colonial past, the skilful application of "soft power" policy and the principle of "non-intervention" (or minimal intervention), and the attractiveness and efficiency of the Chinese development model. Beijing's influence in the Middle East can be enlarged, especially through the implementation of the geopolitical and geo-economic strategy of the BRI. This chapter discusses the transformations of regional order through a specific focus on the new challenges of state failure and its spillover impacts, the changing geopolitical landscape, and consolidated

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divergences in the Arab revolution which has great importance for Chinese geopolitical and geo-economic interests in the Middle East The dynamic geopolitics of the "Arab Spring", which emerged as a result of the multi-layered alliance formation practices of intra- and inter-state relations, new and old, as well as non-state and state actors, alludes to a new constitutive process of new order formation (Salloukh, 2013). These focuses will shed light on a possible future order, which may take shape around a new imagination of the future Middle East.

The breakdown of authority was, among different factors, precipitated by the erosion of the legitimacy of the Arab nation-states, loss of trust in political Islamist currents, and the rise of sectarianism and transnationalism. Protracted civil wars, the emergence of non-state actors, proxy wars, and external interventions further undermined the semblance of a normative order. These causes have been intertwined within the "Arab Spring" developments, compelling regional actors to operate in the absence of a definitive regional order.

Geopolitics of the "Arab Spring"

The continuing crisis which destroyed the regional order in the Middle East contributed to the changing legitimacy of the current national borders. The "acting rules" of socialization among regional actors have been completely redefined by a changing agent-structure shift amidst a chaotic regional order shaped by failed states, state, and non-state actors, and destabilizing external influences. The result is a change in the delimitation of territorial identity, and state failures to reify and protect the borders.

The absence of legitimate administrations in the post–"Arab Spring" era in Libya, Yemen, and Syria and the state crisis in Iraq have resulted in de facto territorial conceptions in these states. The current conceptualizations of territory are not in the form of enclaves, which are familiar configurations. Rather, the disposition is that these are attempts at unifying territories across national borders and associations into a virtual state like the structure of transnational formations. They constitute a Middle East version of reterritorialization, like the Islamic State of Iraq and Syria (ISIS) as a self-declared "state" controlling large parts of Syrian and Iraqi territories. The frontiers of ISIS and its capacity to preserve them, widespread regional governance holes, and de facto rules in the area thus point to an ongoing territorial demarcation process.

There is an exclusive tendency in academic studies to define regional order in strict security terms of mode and management of conflict among regional states (Buzan & Waver, 2003). In this sense, the regional order in the Middle East is a work in progress, and it is "porous, interlinking and being influenced regularly by other actors and regions" (Fawn, 2009). Security-related dialogues and interactions, on the one hand, and security governance, on the other, perpetually produce patterns of redefining the security situation in the region.

In the absence of a "hegemonic security order" (Frazier, 2010) and "power-constraining institution" (Pedersen, 2002), the coexistence of state and non-state actors does not hint at an end of the Westphalian nation-state and an ultimate non-order in post–"Arab Spring" Middle East. However, the current disorder provides alternative options for the negative spillover of the insecurity, race for power, and creation of new territorial structures to appoint a new balance of power. Countries in sub-regional groupings would define their positions in the Middle East region vis-à-vis their domestic concerns, power interplay of regional blocs, and prospective relations with the extra-regional powers. The regional powers such as Saudi Arabia and Iran do not have a political will of self-restraint and have opted for manipulating the regional institutions for their respective causes. Their survivalist grip on power creates domestic to regional flow, which makes the regional policy an extension of domestic concerns. In such a political landscape, a regional issue turns out to be an existential matter for these status quo countries.

There is also large extra-regional intervention in regional developments which brings additional complexity to the already complicated regional landscape. International intervention would be considered global since the positions of the involved parties define the international parameters of the conflicts. Regional organizations flounder in responding to the flow beyond their control. In this sense, the members of the League of Arab States as well as the Gulf Cooperation Council (GCC) failed to offer any substantial solution to burgeoning crises beyond symbolic involvement in the regional peace talks and strived to develop overambitious military measures to ensure the priorities of Gulf security.

A new region is said to be in the making as "developments, which occur when certain territorial entities lose their importance, in favour of other territorial configurations" (Scholte, 2005). The nature of an emerging political geography would depend on the institutionalization of the changing dynamics of socialization among regional actors (Popescu, 1992). The perceived interests would determine the motives and policies of the regional actors in general, which, in turn, would constitute boundary-drawing practices towards a new regional order.

The changing regional political landscape and security situation puts the ruling stratum in a position to develop policies with motives ranging from countering violent threats to survival concerns (Tuathail & Agnew, 1992). Critical geopolitics offers the notion of geopolitical reasoning, which explains the complex connection between the geopolitical situation and policymaking (Tuathail & Agnew, 1992). The surfacing territorial entities in the Middle East present challenges to the stability of those regional states, which to a certain extent had been successful in blocking the transformative impact of the "Arab Spring".

While the "Arab Spring" took a contagious turn throughout the region, its effects also spilled over into non-Arab neighbouring countries, like Iran and Turkey, and challenged a few extra-regional countries that have certain interests in the region. Currently, non-Arab regional countries strive to redefine the new status quo in this geography as international powers aim to preserve their influence and seek to contain problems in the region.

Indeed, a few issues such as the refugee and terrorism problems have already poured beyond the regional space and escalated into the realm of international security. Both regional and global actors muddle through a chaotic environment without coherent and consistent policies, which is unsurprising given how the new geopolitics has unfolded in the region.

Despite early high hopes, the political transitions failed to succeed in their initial objectives save partly for Tunisia. Countries with weak state institutions turned into failed states such as Libya and Yemen. States with minority rule and domination of armed forces did not yield to pressures and continued fighting, resulting in the civil war in Syria (International Crisis Group, 2012). Countries with strong and semi-independent institutions effectively removed their governments but have seen a resumption of power by the state establishments, such as in Egypt and Tunisia (Gelvin, 2013). And finally, the monarchical regimes weathered the storm either through carrot-and-stick policies, such as in the Gulf, or thanks to the safety valve of the elected parliaments, which took the steam out by differentiating between the state and the government in Morocco, Jordan, and Kuwait (Gelvin, 2013).

The Arab upheaval that followed the popular uprisings boosted the regional and global geopolitical rivalries in the Middle East. From the beginning, the geostrategic structures based on the pro-Western versus anti-Western dichotomy were shattered (Mansfield & Snyder, 2012). This was largely due to the US administration's wavering on the decision whether to side with the protesters or America's long-time authoritarian allies. When US President Obama called for Egyptian President Mubarak to step down, it was anticipated that this would initiate a ripple effect upon the latter's fellow strongmen. However, the American "intuitive" support for popular revolts emboldened rather than discouraged region-wide counterrevolutionary impulses.

While it would certainly take time before domestic scores were settled, the security apparatus remained intact in "strong" states or totally collapsed in "weak" states.

The Regional Flow of "Arab Spring"

The geopolitics of the post–"Arab Spring" period thus evolved from the former pro versus anti-Western dichotomy to regional rivalries on a bilateral basis, with bandwagon effects for lesser coalition partners. With Western presence receding—largely due to the Obama administration's priority of withdrawal and a belief in its inability to make an ultimate positive change in the Arab states—the regional powers were on their own to vie for power and security. This framework set the stage for strengthening regional rivalry, which more and more took on sectarian colours. From domestic to regional flow in an interconnected inside and outside one was a game particularly for Iran and Saudi Arabia, both of which became insecure against growing domestic dissatisfaction with their policies. This gave each extra motivation to draw on their previous domestic challenges and to magnify the threats abroad to consolidate their domestic regimes.

As of early 2011, the last bits of the opposition were silenced, and the growing instability in the region gave the Iranian establishment additional reason to enforce total control (Jones, 2013). Iran moved to safeguard its "Islamic" identity through military activism in the region. Yet, the Iranian strategy of doubling down in Syria and Iraq as the last bastion of defence undermined its essential claim to reach out and represent the whole Islamic *ummah*. Thus, Tehran restricted its interests to securing the Shiite elements in the region, which still endowed Iran with sizeable clout from Afghanistan to Lebanon, Iraq, and Syria, as well as Bahrain and Yemen. Therefore, Iran's early thoughts about a region-wide Islamic revolution (Bülent & Yorulmazlar, 2014) gave way to fighting back the Sunni hegemony and defending Shiite interests together with Hezbollah and other Shiite militias (Gause III, 2011).

Against the regional turbulence, Saudi Arabia prioritized domestic and regional stability at any cost. Therefore, in its early phase, the "Arab Spring" was perceived above all as a domestic security problem for Riyadh. The 2011–2012 Shiite riots in the Eastern Province have shown the need to contain spillover from neighbouring geographies, vindicating military action by the Saudis to repress the anti-government demonstrations in Bahrain (Matthiesen, 2012; Nerguizian, 2012) Riyadh thus appeared to take a defensive approach, aimed at resisting what it perceived as the destructive forces of change. Yet in coping with internal challenges, the Saudi leadership used "the Iranian threat" to vindicate repression at home and military activism in the region (Steinberg, 2014).

While the regimes in Tunisia and Egypt were forced to respond to popular demands, Riyadh remained true to the old order, welcoming ousted dictators like Tunisia's Ben-Ali and Yemen's Saleh and protesting the forced resignation of Mubarak in Egypt. Later, the Saudi-led efforts to neutralize the burgeoning political power of the Muslim Brotherhood, which turned from being the default opposition group to default ruling party in Egypt, Tunisia, Libya, and prospectively Syria and Jordan (Luttwak, 2011). This initially alarmed the Saudis, who felt threatened by the Brotherhood's ideological rivalry for leading the Sunni discourse.

Therefore, Saudi Arabia tried to transcend its internal insecurity by initiating a twofold geopolitical and ideological struggle against Iran and the Muslim Brotherhood. While the former struggle turned the geostrategic competition into a sectarian confrontation, the latter complicated the Saudis' relationship with Turkey and Qatar, which diverted from the Saudi line in backing the Brotherhood's rise to power. Until the July 2013 coup in Egypt, the Saudi line stood on the defensive, seemingly in search of alternative ways to placate further spillover of popular movements.

Turkey's decision to side with the popular movements against the *ancien regimes* had more to do with the government's ideational orientation as opposed to domestic insecurities like other regional powers. Turkey welcomed change towards a "new Middle East", which seemed to have been emulated by the Turkish model of civilian rule and economic development that was built upon electoral legitimacy (Bülent & Yorulmazlar, 2016). This led Turkey to welcome the transitions in Egypt, Tunisia, Libya, and Syria.

On the side of the popular masses, the newly emerging collective consciousness for change has been the guiding tenet in the revolts against the authoritarian regimes. The earlier euphoria following the removal of lifelong Arab rulers was confronted by the everlasting strategies of authoritarian survival of Arab regimes (Bellin, 2004). Despite the high hopes in the beginning, 2013 turned the tide in favour of the counterrevolutionary forces.

There were *four main reasons* for the contraction of the popular movements. First, the early victories in Tunisia, Egypt, and Libya did not lead to good governance, which disproved the opposition's claim for a just and efficient government. The opposition that was tailored to stay out of government and subside over time, found itself confronting the Herculean task of state-building and delivering public services (Shahin, 2015).

Second, the transitions were barely able to remove the strongmen in these countries. In Tunisia and Egypt, the state-security apparatus was left in place, which enabled the elements of the *ancien regime* to make a comeback in novel forms (Mullin, 2015). The political situation in Libya initially showed signs of recovery with exemplary elections and transfer of power, but ultimately failed because of historical and ideological divisions between the tribal groups and geographic entities, which were further hardened due to the omnipresence of armed militias.

Without time and resources for constituting a defining national ethos, the new governments' deficiencies were further discredited by the broadly received narrative of irreversible Islamization and authoritarianism, which vindicated the establishment's return to power.

Third, the assumed Western financial support for the elected transitional governments was not forthcoming. This was partly because the Western nations were not yet quite sure about the long-term goals of the Muslim Brotherhood-led governments in power, while the Gulf money was strictly withheld lest ideological rivals threaten their power base. The financial aid provided by Turkey and Qatar, while keeping the new regimes afloat, was insufficient for the popularly elected governments to deliver on their political promises.

The back-pedalling of transitional governments emboldened the counterrevolutionary geostrategic calculus to resist the tide of change. This caused Iran-led Shiite militias (mostly Hizballah) to double down, especially after 2013, in warding off the Syrian rebel forces that were guided and supported by the Sunni Gulf states together with the United States, the United Kingdom, France, and Turkey. This proxy war mainly between Iran and Saudi Arabia drew support from global partners (Russia and the United States) with common interests. On the other hand, the retrenchment of US commitment to regional security coupled with increasing

Russian activism turned the tide against the pro-Western powers in Syria and Iraq and put them on the defensive in Yemen and Egypt.

The Global Flow of "Arab Spring"

Several factors have defined the emerging patterns of global involvement in the post–"Arab Spring" Middle East. First was the regional powers' incapacity to manage the regional order on their own, which also carried the risk of spillover of global involvement in the region. The second was a continuous attempt for damage control, whereby regional powers together with partner global powers in a counterrevolutionary attempt redefined the status quo with an emphasis on each actor's own terms, which in fact meant bricklaying towards a new Middle Eastern order. This was followed by the development of a broader goal to utilize the new balance within the dynamics of a greater regional and global rivalry.

At a time when the political climate still tilted towards popular Arab transitions, the hasty US military withdrawal from Iraq in December 2011 opened yet another hole in the regional order (Brennan, 2014). The resultant dynamics critically paved the way for the penetration of ISIS elements from Syria into Iraq's Sunni areas and Iran-led Shiite militias' control of the Iraqi central authority in the form of "a shadow government" (Brennan, 2014). And finally, the bloody civil war in Syria and the irreparable political fault lines in Iraq jointly engendered a larger crisis, which became wide open for a new joint front in the broader geostrategic competition.

In this contest, two critical developments in the summer of 2013 sealed the fate of the Arab uprisings. First, a military coup removed President Muhamed Morsi in Egypt from office and set the stage for a political crackdown against the leading forces of the revolution, including the Muslim Brotherhood and the liberal opposition. The salient feature in this was American and international acquiescence with the military's return to power (CNN, 2013). One month later, in a second decisive move, the Obama administration failed to act in accord with a self-imposed "red-line" against the Assad regime's use of chemical weapons in Syria (The Guardian, 2013). The Western wobbling in backing the Syrian opposition created the necessary vacuum for Russia to figure out a way for getting Assad off the hook and assigning him legitimacy by negotiating an international deal for the elimination of chemical weapons. Overall, the popular movements' expectation that they would get unreserved Western support for political transition was quashed, and a new balance was established, whereby the Western case for peaceful transition was replaced by the acknowledgement of realities on the ground. Thus, instead of engaging in a new wave of military operations, the Obama administration appeared ready to settle for selective engagement with Russia and its regional partners.

This global flow in the regional politics also set the stage for a broader US–Iran rapprochement, which through opening channels of communication transformed more than three decades of confrontation into selective dialogue on regional issues (Jones, 2013). With Iran back at the table, the geostrategic interests of a country that was only a short time ago part of the so-called Axis of Evil were largely and internationally legitimized.

Therefore, in Syria, the Iranian military presence gained legitimacy, especially for the Western world. US policymakers, to justify the nuclear negotiations, presented Iran as a potentially constructive regional power whose legitimate interests could be utilized as a basis for a sustainable regional order (Samuels, 2016). On that note, the successful conclusion of the nuclear deal, and the argument that followed, carried the potential to turn Iran into a secure and responsible stakeholder (The Weekly Standard, 2014).

With Iran back in the game and the United States on the back foot against the need for a redesign in the region, Russian President Vladimir Putin saw a conspicuous opportunity to reclaim Russia's great power status after what he called "a major geopolitical catastrophe after the disintegration of the Soviet Union" (Trenin, 2011). In the beginning, the Russian position was based on sovereign inviolability, which essentially opposed regime change by foreign intervention (Truevtsev, 2022).

The case in Libya has informed the perception that the Western powers sought a redesign of the Middle East without taking into consideration Russian interests. Therefore, Russia espoused a two-pronged policy to first block Western attempts to pressure the Assad regime for political transition and then capitalize on the Western inability to supply regional security to extend its influence in the region. In this framework, Putin turned himself into an alternative security, or more precisely comfort provider, for leaders from Syria to Egypt and Bahrain, and became a more valuable partner for Iran (Lund, 2016).

With powers on the ground failing to undo both the *ancient regimes* and the anti-Western resistance fronts, the structural confrontation showed signs of thawing. The US decision to directly participate in the nuclear negotiations with Iran, which were preceded by secret US–Iran talks, signified the importance of the regional to global influence and the changing patron–client relations in this context (World affairs council of greater Houston, 2019).

While Washington coordinated the civil war situation in Iraq and Syria with Iran, it acted in concert with Saudi Arabia and the United Arab Emirates in Egypt, Yemen, Libya, and Bahrain. This double approach stemmed from a realpolitik reading of the tenacity of authoritarian survival. Hence, the United States came to terms with regional dynamics rather than swimming against the current (Goldberg, 2016). Nevertheless, the Obama administration vocally welcomed the possibility of popular change in the region in the beginning, which raised certain hopes for the long-awaited democratization in the Middle East. However, this rhetorical position not only failed to back up words with concrete deeds but also failed to placate regional allies that became apprehensive about the credibility of American commitment to their security. This complication also gave the Obama team further reason for non-involvement as the United States was blamed in the end either with or without taking an active position in regional affairs.

Challenging Nation-States in the Middle East: Formation of Geopolitical Sub-regions

As a result of the existence of different conflict zones in the Middle East, we can talk about the emergence of four geopolitical sub-regions. First is the Syria–Lebanon–Iraq–Jordan sub-region. Besides geopolitical rivalry for controlling the central political authority, there had been parallel fights for ideological and military predominance. The fight for supremacy in this sub-region reached a stalemate between Iran-led forces of the Shiite militia, like Hezbollah, and the Assad regime on the one hand and Saudi Arabia, Qatar, and Turkey's yet non-integrated efforts to support the opposition (that included groups like the Free Syrian Army and the Islamic Front), on the other one. Based on the existing conflict of Shia–Sunni confrontation and its cross-border spillover effects, the Iraqi and Lebanese theatres became directly dependent on the developments on the Syrian front. This sub-region engages in non-Arab interactions with Turkey and Iran in addition to facing global interventions.

The Syrian refugees' issues—the majority of which have been hosted by neighbouring Turkey, Lebanon, Jordan, and Iraq—have been one more determining factor in the formation of sub-regions. As significant as the following issues have been, however, ISIS' rise to power in the summer of 2014, which shook the foundations of the regional, if not global, order with its unprecedented blend of terror and state authority, has been more detrimental to the regional order. Despite its abhorrent use of violence and terror, ISIS assumed state power, enforced administrative measures in a territory of 6.5 million people, and started providing public services (The Guardian, 2015). It has been "[running] a territorial state" (Walt, 2015). ISIS disregarded national borders and has been operating in the Syrian and Iraqi territories without state authority, coming to the brink of occupying their capital cities. It not only took an ideological position against the nation-state but also aims to transcend the national polity in the form of a self-proclaimed "Caliphate", explicitly with a claim to represent the Islamic *ummah*. This not only empowered ISIS in the sectarian conflict with a self-assigned role to represent the "Sunni" interests but also led other extremist groups from Afghanistan to Libya and Bangladesh to pay allegiance to its authority, as well as attracting individual foreign fighters from all around the world. Moreover, it amassed an army of volunteers that have conducted not only military operations for territorial aggrandizement but also "lone wolf" terror attacks worldwide to realize its political goals (Weiss & Hassan, 2015).

In this case, the rise of ISIS has effectively delivered a blow to the so-called Sunni coalition's vision for Islamist majoritarianism particularly in Syria, which not only suffered further internal inconsistencies but also lost remnant global support as the United States and Western allies prioritized degrade and ultimately destroy policy against ISIS instead of an earlier emphasis on the removal of Assad. In turn, the regional partners started having second thoughts about "US designs" particularly following the Iran deal, having grown frustrated with the rhetoric-action gap of the Obama administration, which failed to put any concrete effort towards a political transition in Syria. With growing divergences, the international fight against ISIS led by the United States merely garnered half-hearted regional support from its partners. Against the odds, the United States and the United Kingdom have recently doubled efforts to organize local partners in Syria, Iraq, and Libya to degrade and if possible, destroy ISIS, which has given rise, arguably, to coordinated initiatives by Russia and Iran.

US–Iran dialogue on the nuclear deal kept Iranian intervention in Syria secure from international condemnation, which in conjunction with Russia's unwavering political and military support gave a possibility to the Assad regime's survival plan that was predicated on brutal use of force against the civilians and the armed rebels. This framework not only emboldened the resistance front's strategic patience to withstand the pressures for political transition but also empowered the extremist case for fighting against the regime regardless of Western support.

With ISIS on the move to invade major cities in Iraq, and thus precipitating the need to fight back, the regional balances tilted towards "active powers" like Iran and later Russia. The Russian military intervention in Syria with "silent" international approval carried the potential to change the military balances in favour of pro-Assad forces (Kuznetsova et al., 2018). Yet it still lacked the diplomatic and political tools to lay the groundwork for the inevitable political transition in Syria (Lund, 2016).

The second is the Gulf–Yemen sub-region which has again been defined by the sectarian confrontation between Shia and Sunni Arabs. The Gulf began to play a unique role in Arab affairs mainly due to the failure of traditional actors like Egypt, Syria, and Iraq. Yet, beginning with the Saudi-led intervention in Bahrain in the beginning of "Arab spring", the Sunni Arab powers were able to resist the unfolding of the sub-regional order because of the monarchical rule in the Gulf region. In Yemen, despite the appearance of a sectarian dynamic, the basis of the conflict was more about political rivalries between the pro-Saudi Hadi government and the removed forces of former President Saleh, which joined the Houthis to capture the political capital. The resultant void also led to the resurgence of Al-Qaida in the Arabian Peninsula. Overall, the Saudi leadership and coordination with other Gulf Arab kingdoms ensured that the spillover of the "Arab Spring" was kept at a minimum in this sub-region (Steinberg, 2014).

The third is the Egypt–Israel–Palestine sub-region which has gone back to basics after the military coup and crackdown in Egypt. The main characteristics of this sub-region have been problematic civil–military relations and dominance of states' security services. This sub-region, in some cases, is more congruous for the nation-state system than the others. Despite security issues in the Sinai Peninsula, the Palestinian question remains the core issue after the possible ideological rivalry of the Muslim Brotherhood was quashed in Egypt and significantly phased out in Jordan. Nevertheless, Israel's continuing reluctance to act in accord with a "two-state solution" runs the risk of a new *intifada* and possible spillover to Egypt and beyond. The Muslim Brotherhood was virtually pushed underground in Egypt. The Brotherhood continues to be a transnational Islamic current, but it has suffered a big blow after the crackdown in Egypt (Wickham, 2013).

And the fourth, the Libya–Tunisia–Algeria–Morocco sub-region continues to experience a secular versus Islamist competition for power. In Tunisia, after an early El-Nahda victory, the establishment reassumed power, and the main tenets of the secular regime were kept almost intact. The idea that there would be a Muslim Brotherhood takeover in this sub-region fell short of expectations after the electoral placement of El-Nahda to the opposition. Algeria was able to stay immune from the spillover after the bloody experience of the 1990s. Libya continues to be divided, and stability would only be possible with reconciliation between the secular and Islamist groups and an end to militarization.

Conclusion

The new geopolitics of the "Arab Spring" led to the eventual failure of the regional order in the Middle East. The possibility of bringing an even quasi-Westphalian nation-state system would require the finalization of border drawing practices. The separation prospects, attempts for reterritorialization, de facto rules, and divisive interventionist forces are landmark developments for the emergence of new regional structures in the region. There is also no guarantee that current relatively stable states will preserve their hold on power or territorial unity in this still ongoing process. The global actors, such as the United States and Russia, seek refuge in the idea of separating the states when it comes to forming alternative plans for circumventing the protracted problems of several regional states like Syria and Yemen, among others.

Although the authoritarian resilience has proven the flexibility and adaptability of the Arab regimes, the revolutions are far from over. Whether the boundary drawing practices in the Middle East would endure without global ramifications in other regions will be tested over time. The current geopolitical situation, with all its complexities, is perhaps a hint for what will be the new normal in the region. The chance of going back to the pre "Arab Spring" terms in regional politics is out of imagination, even though counterrevolutionary forces seem to have the upper hand in facing current challenges. As the geopolitical scene witnessed the domestic to regional and regional to global spillover, the boundaries between domestic and regional policy blurred, and several regional issues were elevated to global importance.

The effects of state failure and geopolitical crises do not bode well for both regional and global order. The emergent geopolitical picture introduces the mix of loss of state authority spiralling towards instability, defined by fundamentalism, extremism, and global rivalries, and ultimately irredentism within the interdependent sub-regional formations. The regional order in the Middle East faces new challenges of nation-states, sovereignty disputes, and even state failures also with its impact on Chinese geopolitical and geo-economic interests in the region.

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CHAPTER 6

"New Silk Roads" in the Service of a "Great Power"? The Influence of Xi Jinping's Operational Code in the Strategic Orientations of the People's Republic of China

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Introduction[1]

In this chapter, the "New Silk Roads" (NSR)[2] occur as a "new" lever of the Chinese global economy. They put forward their ambition to secure Chinese economic partnerships and create new ones. Specifically, People's

[1] I want to thank Dr Justin D. Cook for his thorough reading.

[2] Also previously known as the "One Belt One Road" (OBOR) or the "Belt and Road Initiative" (BRI).

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Republic of China (PRC), while seeking to promote its economic growth and military capabilities and borders, enhances new bilateral relations and new international partners.

The economic factor of the NSR would be decisive to achieve the "great power" status claimed by Xi Jinping, who has presided over the PRC since 2013. From the perspective of a neorealist approach (Waltz, 1979), the PRC seeks to contain United States' power and impose a new balance between the two great powers.

In our view, the analysis of the PRC's strategic orientations regarding its insecurity is inadequate to explain why the NSR project has been launched for this purpose. We believe that the PRC's security policy should be viewed from the perspective of a "materialist constructivism" (Lindemann, 2010) that implicates not only the utilitarian aspects of the PRC's interests, but one that includes the role of the images, emotions, and identities of its leaders.

The construction of Chinese foreign policy thus depends on the role played by political leaders (see George, 1969). Several works have been conducted on the operational code of Chinese leaders (Houn, 1967; Feng, 2005; He & Feng, 2015). Our hypothesis is that the NSR project depends on a personal vision of President Xi. We can understand how Xi imagines China's place on the international scene by analyzing his cognitive map. This map represents a simplified version of his vision of the world and his perceptions (Jervis, 1976) which are linked to his belief system.

This chapter, therefore, examines the links between Xi's "instrumental" beliefs pertaining to the means to implement the PRC's foreign policy, of which the NSR project is a part, and the "philosophical" beliefs of the Chinese president, which correspond to the images he mobilizes in relation to his vision, his rivals, and the global order.

The NSR Project Strategic Framework

Since 1995, the PRC has published white papers on its foreign policies.[3] As a tool of political communication, they are one of the authoritative sources of the PRC's policy recommendations and aimed at influencing the views of foreign governments (Charon & Monteiro, 2019; Yang et al., 2018). These documents are translated into English, but not all of them are posted on the Chinese government website. Speeches by Chinese presidents are also screened by the Ministry of Foreign Affairs (He & Feng, 2015, p. 414).

The strategic context of the NSR project is based on the ancient silk routes created in the second century BC by the Han dynasty. From multiple embassies sent to the nomadic courts of Central Asia, the Han used trade to build alliances against the Xiongnu nomads, who were perceived as their main threat.

With its economic and commercial development objectives, the NSR project no longer responds to a direct threat to the PRC's borders. It has a symbolic and nationalistic dimension. Moreover, President Xi is proceeding with revisionism by wanting to make the Mongolian Yuan dynasty (1271–1368) a Chinese dynasty: the Yuan are profoundly marked by the conception of power in China through the "Great Yuan State" (*Da Yuan*) (Brook, 2021). Universal and absolute, the "Great State" extends its borders and assimilates the different ethnic groups and nations. The PRC has taken up this concept of the "Great State" to assimilate non-Chinese ethnic groups. The "Great State" makes it possible to invite other nations—especially those of Central Asia—to participate in Chinese history by assimilating them into the NSR project.

This hypothesis looks pertinent in the sense that it enables us to apprehend the Chinese "Great State" philosophical matrix. It provides the instrumental Chinese beliefs to which belongs the NSR project. Whether this matrix is specifically employed by President Xi or mobilized by his predecessors, all contexts determine these beliefs.

[3] We found all the white papers translated into English on the website of researcher Andrew Erickson, url: https://www.andrewerickson.com/2019/07/china-defense-white-papers-1995-2019-download-complete-set-read-highlights-here/ (accessed on 19 June 2021).

Operational Code and Methodology

Nathan Leites, an American psychologist by training, was the first to develop an operational code for identifying the beliefs of Soviet leaders (Leites, 1951; Leites, 1953). He demonstrates that Soviet leaders mobilize beliefs—including ideas and a vision of the international environment—that influence their decision-making. The American political scientist Alexander L. George then gives a more solid conceptual structure to the operational code by distinguishing between philosophical beliefs and instrumental beliefs (George, 1969). The former includes questions surrounding the nature of political life and adversaries and the role played by luck or chance in history. It also measures the goals of political action and their risks, as well as opportunities to act and achieve them. The two categories of beliefs are inseparable, although philosophical beliefs are more valuable because they give the meaning of the leaders' actions. Instrumental beliefs are therefore subordinate to philosophical beliefs. Nevertheless, the two beliefs form an operational code that we can assemble into three visions:

- Self-view: it is structured in relation to other international actors and the international environment, within the framework of intersubjective relations;
- Vision of the other: these are beliefs about a rival, an adversary, or even an enemy. This vision is fundamental in the operational code (George, 1969, pp. 201–202);
- Vision of the international environment: it questions the nature of the international system and its evolution.

Many studies have been conducted with the operational code using quantitative data on leaders of democratic (Schafer & Walker Stephen, 2006) and non-democratic (Malici & Malici, 2005) regimes. We favour a qualitative analysis of discourse that corresponds to George's work, using a deductive approach.

Xi's[4] defence white papers (The State Council Information Office of the People's Republic of China, 2013, 2015, 2019) and speeches are

[4] Ministry of foreign affairs of the people's republic of China, "Policies and Activities/ Speeches", url: https://www.fmprc.gov.cn/mfa_ eng/wjdt_665385/zyjh_665391 (accessed June 12, 2021).

important to our research in that there is little existing evidence to determine his beliefs.

Is There an Official Chinese Operational Code?

This question arises considering Feng and He′s attempts to propose a model of Chinese leaders' international socialization and changes in their beliefs through the operational code (He & Feng, 2015, p. 408). The study by Yi Edward Yang, Jonathan W. Keller, and Joseph Molnar develops an official Chinese operational code from Chinese defence white papers from 2008 to 2015 (Yang et al., 2018, pp. 585–602). Now, these publications are designed by a small group of individuals representing the bureaucracy of the Chinese Communist Party (CCP), but also the People's Liberation Army (PLA).[5] However, the editions published as early as 2013 reveal Xi's vision of the world, that of a more confrontational one than under his predecessors with a more confident posture but less modest on the international scene (Yang et al., 2018, p. 597). Xi would also be in a difficult position as far as the international context is hostile to the PRC's strategic objectives and the country's domestic stability must also be considered. The study also describes the NSR project as one of the instruments of President Xi's new "soft power" policy aimed at counterbalancing Russian influence in Central Asia (Yang et al., 2018, p. 598).

Xi Jinping's Worldview: An Incomplete Operational Code

Feng and He believe that control and decision-making in foreign policy rest with the Chinese president (He & Feng, 2013). Their finding is that the operational codes of Xi and his predecessor, Hu Jintao, are close in terms of worldview and strategy to adapt to it. But Xi may have concealed his differences with Hu even though he has been second in command to him since November 2012 as the General Secretary of the CCP and Vice President of the PRC since 2008 (Yang et al., 2018, p. 598). Xi sees the world as more confrontational and proves less cooperative than Hu (He & Feng, 2013, p. 227). This philosophical belief shows that Xi is a

[5] Jian Zhang discusses the propagandistic view of white papers by its author, Colonel Major (*daxiao*) Chen Zhou (Zhang, 2012).

presumptuous/arrogant and highly ambitious leader. From the work of Feng and He, Xi's philosophical beliefs are as follows:

- Self-view: not explicitly analysed by either author.
- Vision of the Other: The United States is the adversary or rival in regional hegemony in the Asia-Pacific.
- World view: it is relatively confrontational than under Hu, which implies that Xi employs means—and therefore instrumental beliefs—that are a bit more offensive/aggressive/belligerent to achieve the goals set in Chinese foreign policy.

Feng and He state that Xi believes in partnership, cooperation, and negotiated solutions, much more than Hu does. The NSR project is part of this Xi worldview. But it is not clear from the analysis whether it responds to a Chinese strategic foreign policy tradition or to Xi's will alone. Its operational code needs to be further refined.

Xi Jinping's Full Operational Code: A "Nationalist-Revanchist" with a Strong Personality

By mobilizing a few biographical articles about Xi, we can refine his operational code and frame the NSR project in relation to his philosophical beliefs. Our result is as follows:[6]

- Self-view: Xi shows more self-view than his predecessors. In 2000, Xi is the governor of Fujian province and presents himself as a humble man who refuses to be publicized (Yang, 2000). He says that the most important thing is the duties and goals that each individual sets for the community to keep it united and prosperous. He claims honour and respect, condemning those who engage in it to enrich themselves. Xi wants to give an image of himself as virtuous, incorruptible, and at the service of the people and the party.

  The account of Xi's childhood paints a more ambiguous picture (Osnos, 2015; Kuo & Tang Angelica, 2016). He may have retained some resentment through his desire to dismiss his rivals within the

[6] We bold the words that best characterize each vision of the policymaker.

CCP under the pretext of a fight against corruption. An anecdote about his literary tastes also makes Xi an admirer of Song Jiang, a rebel bandit in a classic fourteenth-century Chinese novel, whose passages about his vengeful and ruthless spirit he enjoys. Other private and public accounts of the cult of personality developing around him do not indicate whether it was his own doing or that of his entourage.

- Vision of the Other: Xi is clearly targeting the internal enemies that are the corrupt CCP cadres. He presents himself as the saviour of the party by carrying out a form of an internal purge against his rivals as Mao did in his time. Xi is also fighting against the elites likely to cause dissension among the Chinese people, but also against the influence of foreign powers. He wants to avoid a repetition of the historical trauma of the Taiping revolt (1851–1864) (Dekleva, 2017) against the Qing, discredited for having signed very unfavourable treaties with Western foreign powers. This civil war resulted in the death of 20–30 million people. The CCP presented this revolt as a prelude to the communist revolution in China but also as a nationalist awakening against the Western powers.

  Xi's nationalism abroad is specifically aimed at states whose relations with the PRC are atrocious because of past conflicts, such as Japan, India, and Vietnam. Regarding the United States, the relationship is more ambiguous: several sources indicate that Xi had a courteous but cold relationship with President Barack Obama before becoming confrontational with his successor Donald Trump. One anecdote reveals that Xi expressed to Obama his incomprehension about the American commitment to individual rights in his country and in the world. On the side of the US administration, the exchange was franker than with his predecessor Hu. Xi thus reveals a stronger personality: his vision imposes an ideological duel with a moral dimension against the United States within the framework of the "*Chinese* Dream", a set of philosophical values combining Maoism, nationalism, and Confucianism.
- Worldview: Xi sees the international environment as somewhat more conflictual for the PRC since he came to power. But he is also more inclined to support cooperation and partnerships with foreign powers and international organizations.

  We wish to question the sincerity of this vision: is it his own or is it a concept that has been used for decades in traditional Chinese diplomacy? The method of Chinese diplomacy uses a set of pacifist concepts aimed at reassuring the international community. After the concept of "peaceful development" (*heping fazhan*), Xi—then vice president of the PRC—popularized as early as 2012 a new concept called "new type of great power relations" (*xinxing daguo guanxi*) aimed at ensuring mutual respect of interests between the PRC and the United States. Although Xi does not appear to have originated this concept, it discards the peaceful dimension in its title and attributes the notion of "great power" to the PRC. We therefore argue that cooperation and partnership are not philosophical beliefs in Xi, but rather instrumental beliefs that are traditionally intrinsic levers of Chinese diplomacy. The Chinese president uses them in his international public speeches, while adapting them to his actual operational code. The NSR project, as an instrumental belief, is part of this diplomatic lever.

The NSR Project as an Instrumental Belief of Xi

It is to be expected that the NSR project will be mentioned in the strategic recommendations of Chinese defence white papers and in Xi's speeches. The goal is to understand again what philosophical belief(s) the Chinese president holds about the NSR project:

The 2013 and 2015 editions of the defence white papers do not address the Belt and Road project (future NSR). The 2019 edition cites for the first time the forum for international cooperation "Belt and Road" (organized for the first time in 2017) as the framework for security cooperation including the fight against terrorism or the respect of the law of the sea (The State Council Information Office of the People's Republic of China, 2019). It includes the 2015 "Silk Road" cooperation with Sri Lanka—which includes special forces training and training in counter-terrorism operations—and support for the government of the Xinjiang Autonomous Region in the arrest of nearly 12,995 "terrorists". The Chinese government uses a narrative presenting China as an actor in "global security" (Charon & Monteiro, 2019, pp. 7–8). The deployments of its police and military units to secure maritime routes, to install a military base in Djibouti, or to protect its nationals abroad are presented as being beneficial for partner states of the "Belt and Road Initiative".

Regarding the place of the NSR project in Xi's speeches, it was his then foreign minister, Yang Jiechi, who presented the new methodology of

Chinese diplomacy (Jang, 2013) using words such as "development", "peaceful", "respect", and other words from the semantic fields of economy and peace. The NSR project is not mentioned, but the foreign minister describes Xi's "Chinese dream". However, we note the following sentence:

"(The PRC) wishes to achieve win-win cooperation and shared development with other countries in the world, and the Chinese people wish to work, through the realization of the Chinese dream, hand in hand with other peoples to achieve the world dream" (Jang, 2013).

This very ambiguous sentence reveals the intentions of the PRC under Xi: the nationalist dream of a great Chinese power on the international scene will involve partner nations. But if they accept it, they become the subordinates of the PRC in its ambition of becoming a "great power". We find again the concept of the "Great State" with a universal vocation. It was in a 2014 speech at the 60th Anniversary Commemorative Conference of the publication of the "Five Principles of Peaceful Coexistence" that Xi unveiled the NSR project as part of the principle of mutually beneficial opening-up strategy:

> China is (implementing) major cooperation initiatives such as the Silk Road Economic Belt, the 21st Century Maritime Silk Road, the Bangladesh-China-India-Myanmar Economic Corridor and the China-ASEAN Community of Destiny and will seize the opportunities thus provided to promote a new wave of outward opening in all aspects, develop an open economic system and create new opportunities and prospects for the development of Asia and the world. (Jinping, 2014)

Then he concluded:

> The Chinese people are advancing towards [...] the realization of the Chinese dream of great national renewal. As the Chinese dream is closely related to the beautiful dreams of other people in the world, the Chinese people intend to work with them to give each other support and assistance in realizing their own dreams, and China wishes to progress and prosper together with other countries, especially neighbouring countries. (Jinping, 2014)

Xi sees the NSR project as a development of Asia first and foremost and aimed at neighbouring states. President Xi's speech remains consistent with the new methodology of Chinese diplomacy. The latest speeches in

2021—in the context of the Covid-19 pandemic—list the NSR project as a factor in the development and in the fight against the pandemic between Asia and Europe, which is contradictory when international organizations point the finger at the PRC's responsibility for the spread of the virus.

The NSR project thus appears to be one of the instrumental beliefs of Xi's operational code. But the difficulty is to determine to which philosophical belief it is linked. Is the NSR project the product of a long process of Chinese diplomacy—itself based on vigorous nationalism? Or is it an offshoot of Xi's operational code? His personality, however, shows strong self-esteem and less humility than his predecessors, while the PRC's economic power has been showing signs of weakness for several years. The NSR project may be an initiative by Xi to reassert the PRC's and his place on the international stage as part of his "nationalist-revanchist" operational code associated with the application of the "Great State" concept. But isn't the "Chinese dream" above all that of President Xi?

Conclusion

The NSR project may emanate from the philosophical beliefs of a leader and not necessarily from the materialist and global logic of the PRC on the international stage.

The NSR project forms an instrumental sub-belief of cooperation that embodies one of the major instrumental beliefs of Xi's operational code, but also of those predecessors.

Nevertheless, our work suffers from a lack of diverse sources, including Xi's personal and biographical writings before he came to power. We looked for philosophical beliefs in Xi before he became president: we believe that the spirit of revenge against CCP opponents suggests an ambitious personality. His personal beliefs must not have changed over time as they have allowed him to climb the political ladder within the CCP while eliminating his rivals.

It also remains to be seen whether Xi's operational code exerts real influence on his foreign policy or whether it is a compromise between the interests and beliefs of several individuals and/or institutions within the regime. We reasonably believe that Xi's strong personality allows him to exert significant influence on Chinese foreign policymaking.

The NSR project is therefore not a strictly economic and transnational project, as it depends on bilateral agreements with the objective of applying the universal concept of the Chinese "Great State". The NSR project represents one material lever among many others to implement Xi's vision for his country and himself.

In the framework of a constructivist analysis where intersubjective relations are fundamental, it would be interesting to identify the vision of foreign leaders on this concept of "Chinese dream" but also their vision of the personality of President Xi.

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CHAPTER 7

China in Central Europe: The End of the Dream

Šárka Waisová and Ladislav Cabada

Introduction

The initial idea of this chapter is that Central Europe (Czechia, Hungary, Poland, and Slovakia) has been historically located between East and West. With the victory of communist parties after World War II (WWII) in Central Europe (CE), Czechoslovakia, Hungary, and Poland became part of the East. Until the end of the 1980s, the role of the United States (US), European Communities (EC), and China in CE was marginal. With the end of the Cold War, the situation dramatically changed. In only one

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decade the Russian influence in CE declined and the EC, US, and NATO became the strategic partners of CE countries. Czechia, Hungary, Poland, and Slovakia clearly declared the effort to return 'back in the West' and later succeed to become NATO and EU members. At the beginning of the new millennium, it seemed that the 'geo-political cards are clearly dealt out' and few people would think about a new geopolitical game in CE. However, new domestic developments in CE countries connected with rising nationalism, nostalgia for the communist period, and populism combined with Chinese economic prosperity and the rising geopolitical ambitions of Beijing changed the situation in only one decade: China became an economic and business magnet, assertively penetrating CE. During the Covid pandemic, China was one of the only countries which economically rose. The pandemic also provided evidence of the dependence of world production and international trade on Chinese products and shipping companies. In CE countries the pandemic became an accelerator of pro-Chinese forces which believed that cooperation with Beijing will help to recover from the Covid-caused economic slump.

Our research is designed as a collection of four case studies, each dealing with one CE country—Czechia, Hungary, Poland, and Slovakia. The goal here is to analyse in each case five questions:

- When may rising Chinese engagement be observed (time and context)?
- What are the forms of Chinese penetration in economics and politics (projects, instruments, strategies)?
- Who are the political supporters and opponents of Chinese engagement?
- How do societies understand and respond to the rising Chinese presence (feelings about China, difference in attitude to society in comparison to political elites)?
- What are the effects of Chinese engagement (in politics and in economics)?

The goal of the present text is to collect evidence of the rising Chinese interests and activities in CE, to analyse it, and the political, security, societal, and economic effects of Chinese engagement in the region. This chapter is an empirical-analytical study aiming to collect and evaluate evidence, it does not test any model or theory. The period from the beginning of the 1990s is scrutinised. For the collection of evidence and evaluation of data and analysis a combination of methods has been used, mainly qualitative historiographic study, textual analysis, and national (as well as European Eurobarometer) public opinion polls. For the analysis of the process of Chinese entrance and onset into Central Europe, we use a specific set of sources. Along with the scientific works and analyses we also present the official statistical data reflecting the size and direction of Chinese activities in the region. Furthermore, we specifically focus on the activities of pro-Chinese political actors, epistemic communities, and quasi-governmental as well as quasi-non-governmental organisations that are playing a crucial role in the Chinese agenda-setting actions and general strategy towards (Central) European nations. We believe that such an in-depth analysis might help deconstruct and demystify the process and better understand the threats related to the 'open door' policy towards China.

Chinese Penetration into Central Europe

In the 1990s there was no Chinese trail in CE. However, in the last two decades, China has penetrated many countries across the world including CE countries, mainly through its ambitious business projects such as the Belt and Road Initiative (BRI). The following case studies (listed alphabetically) trace and analyse the rise of the Chinese engagement in individual CE countries and are structured based on the research questions.

Czechia

Even though the diplomatic relations between Czechoslovakia and China can be dated back to 1949, the history of Chinese engagement in the Czech territory is short. Political relations between Prague and Beijing developed step by step while in the 1990s it was slowed down by the dissident tradition in Czech foreign policy (Waisová & Piknerová, 2012). During the 1990s political relations were disrupted mainly by activities such as hanging Tibetan flags on public buildings or by then-President V. Havel's invitation to the Dalai Lama. Today, Czechia officially respects the 'one-China policy', and there are several bilateral agreements between both countries (Table 7.2). Prague also became a member of the 16+1 (since 2019, 17+1) Framework, a key platform for promoting the BRI driven by China.

The milestone for the development of Sino-Czech political relations was in 2013 when M. Zeman, a big supporter of China, began his first term in the Office of the President. In 2014 Zeman announced a 'reset' of Czech-China relations and a special advisor on relations to China was appointed within his office. When interviewed by CCTV in 2014, Zeman said that 'Czechs shall stop commenting on human rights and business in China and rather start to learn from it' (ČT24, 2014). This position was also shared by then Minister of Foreign Affairs, L. Zaorálek. Zeman and his advisors (M. Nejedlý, V. Mynář) declared that they have special relations with Chinese political circles (iRozhlas, 2019b; zaz, 2020). It was demonstrated, for example, in 2017 when Zeman appointed Ye Jianming, CEFC China Energy founder, his personal advisor, and in March 2020 during the peak of the Covid pandemic when Zeman's collaborators including Nejedlý and Mynář went to Beijing for negotiations (the content of these negotiations was not published). The uncritical pro-Chinese position of the Czech President was confirmed when Zeman sought to cut the Czech Senate President M. Vystrčil out of foreign policy meetings because of his Taiwan visit (see below), and in spring 2021 M. Petříček, the then-Minister of Foreign Affairs, was removed from the post and J. Kulhánek, who had previously worked as a consultant for CEFC Europe/CEFC China Energy, was appointed as the new minister.

Czech companies have traditionally had negligible business contacts in China and vice versa. However, since Czechia became an EU member, Chinese investment has been flowing into the country and Czech-Chinese contracts have risen. Business relations include investments, special contracts such as the purchase of several media outlets (e.g., TV Barrandov), and the confirmation of Approved destination status, to name but a few. Leading Chinese companies present in Czechia are electronic manufacturers, IT companies, makers of transport equipment, and food producers. Two state-owned banks—the Bank of China and the Industrial and Commercial Bank of China—are also present. Traditionally, the biggest Chinese investment belonged to China Energy Company Ltd (CEFC). The company has purchased shares in Czech Airlines and bought a majority stake in the SK Slavia Prague soccer team. Statistics, however, provide evidence that Chinese greenfield investments are rather low (Fürst, 2018) and significant Chinese investments in the energy sector, transportation, and logistics infrastructure came at the earliest after spring of 2020.

A new issue in Czech-Chinese relations is cultural and academic cooperation. Two Confucius Institutes were established at different universities, as well as several centres of traditional Chinese medicine, and Beijing has given financial support to scholars writing and speaking positively about China.

Despite developing political and trade relations there are several heavy disputes in Czech-Chinese relations: cyberattacks on Czech institutions led from the Chinese territory, the human rights of Uyghurs in Xinjiang (iRozhlas, 2019a), and the influencing of Czech opinion makers, particularly in academia. In the autumn of 2019, it came out that some scholars at Charles University were financed by China or by China-related companies to improve Beijing's image through lectures and conferences. The university later confirmed the accusation and those scholars had to resign from the university. The media also published evidence of the existence of several quasi-NGOs[1] whose goals were not only to improve the image of China, but to build links to policy and opinion makers and to influence political representatives in favour of China (Forum24, 2019; Procházková & Valášek, 2019). The last dispute in Sino-Czech relations caused the formal visit of the Czech Senate President M. Vystrčil and the Mayor of Prague Z. Hřib accompanied by a business delegation to Taiwan (September 2020). When information about the plan of the visit were published, Beijing threatened the delegation's participants with extensive penalisation of different origins.[2] All the development has been reflected by public opinion: the data from 2020 (Turcsányi et al., 2020) indicate that (Table 7.1) 56% of Czechs had a predominantly negative view of China and 41% also said that their views of China had worsened in the last year. Projects such as the BRI or 5G network development are seen as slightly negative.

As evidence mentioned above indicates, there exist pro- and anti-China divides in the Czechia. Based on their attitude to China, Czechs may be categorised as 'hawks', 'multilateralists', 'pragmatists', and 'friends of China'. Hawks, many of them with a dissident tradition (Waisová & Piknerová, 2012), see China as a subversive non-democratic force that may destabilise Czech politics and economics and good relations with EU countries, tunnel Czech companies and use the Czech territory to launder money. Hawks are represented by several people from liberal-conservative

[1] For example, New Silk Road Institute in Prague. The institute existed between 2015 and 2019; the composition of leadership shows a clear connection to President Zeman, as well as some political parties, primarily Social Democrats (Machova, 2019).

[2] Chinese Foreign Minister Wang Yi, who was in Germany at the time, threatened that Czechia would 'pay a heavy price' for the visit.

Table 7.1 Public opinion in CE countries on China, 2020

	Czechia	*Hungary*	*Poland*	*Slovakia*
Negative feeling towards China (% of respondents)	56	52	45	43
Worsening of feeling towards China in the past three years (% of respondents)	41	31	38	25
Perceptions of Chinese investments, negative view (% of respondents)	45	48	59	49
Perception of BRI, negative view (% of respondents)	45	49	54	48
Agreement on cooperation in building the 5G network, China/EU (% of respondents)	20/63	37/62	31/70	32/65
Trust in China (% of respondents)	10	10	8	18

Source: Authors, based on Turcsányi et al., 2020

parties TOP09 and ODS and Social Democrats (ČSSD) (Málek, 2020). Multilateralists see China as any other country; however, they do not close their eyes to human rights abuses in the country. This group includes several people from ODS and some ČSSD members. Pragmatists merge with friends of China. Both see the Chinese market and investments as an opportunity without evaluating Chinese politics. Friends of China directly support Chinese engagement in Czechia and favour a Sino-Czech link before EU membership. An example of a pragmatist is former Prime Minister P. Nečas. In 2012 he delivered a speech where he pejoratively labelled the Czech value-orientated foreign policy as 'dalailamism' and 'pussy-riotism' (iHned, 2012). Today, the most visible friends of China in Czech politics are representatives of the Communist Party and President M. Zeman and his advisors. Zeman's motivations are not publicly known, speculations indicate that Beijing financed his presidential campaign (Forum24, 2018; Klímová, 2018). The tensions concerning China in Czech politics were clearly visible in reactions to Chinese mask diplomacy. While President Zeman, Prime Minister Babiš, and Minister of Interior Hamáček obsequiously waited at the Prague airport and theatrically welcomed the aeroplane from China bringing health equipment (for which Czechia properly paid), Pirate Party, ODS, and TOP09 welcomed the effort of Czech companies to increase the volume of production at home as well as a quick development of new and better masks and oxygenators (Czech government, 2020; Strnadová, 2020).

There are three milestones for the rising negative perception of China in Czech society: (1) the disappointment based on the first statistics of

Chinese investments from autumn 2019 showing that they are lower than promised, (2) the failed case of the Chinese company CEFC, the main Chinese investor in Czechia, and (3) the Chinese reactions to the Senate President M. Vystrčil's trip to Taiwan. For a long time, Czech society has discussed who the Chinese investors are; the great suspicion was with the state-owned and the companies managed by the Communist Party. Czech pro-Chinese forces argued that there is diversity among investors and the biggest investor, CEFC, is a private company. However, after CEFC had problems and some of its high-position representatives were jailed in China, its contracts in Czechia were taken over by the state-owned CITIC. This confirmed the arguments of critics. Deep disappointment was caused by Chinese reactions to the trip of several Czech political figures with a business delegation to Taiwan. For many politicians and most of society, Beijing's intimidation was unacceptable. When in reaction China announced the cancellation of a 200,000 Euro contract for 11 pianos with the Czech piano maker Petrof, a big wave of solidarity rose and support on social networks was expressed by thousands of people. Consequently, to help Petrof and to demonstrate the independence of Czechia, the Komárek Family Foundation bought all the pianos and donated them to Czech musical schools (Saiver, 2020).

Czech academia is similarly divided. Especially after the scandal with the pro-Chinese by the Beijing paid-for research centre at Charles University, awareness of China in academic circles has risen. Today, there is a rather small and constant number of pro-Chinese academics, while the number and activities of those who warned about the non-transparent Chinese activities are rising. The well-known organisations are ChinafluenCE[3] and Sinopsis.[4] These organisations are not anti-Chinese in nature; their founders believe that Beijing does not share enough information. Their goal is to trace the activities, contacts, contracts, relations, and links between Czech and Chinese actors and to deliver more information to the media, society, and politics.

Hungary

Hungary has been for years a country with many domestic political and economic problems and with an unclear foreign policy orientation. Despite Hungary having had a similar Cold War experience to the other CE

[3] ChinafluenCE, at https://www.chinfluence.eu/cs/

[4] Sinopsis, at https://sinopsis.cz/

countries and becoming a NATO and EU member together with Czechia, Slovakia, and Poland, in the late 1990s it became the country with the biggest effort to build special relations with Russia and China. Hungarian political representatives planned to use business relations with Russia and China as an instrument of economic development, political cooperation with Moscow and Beijing was used—particularly by Orbán governments—as a blackmailing strategy towards the EU or NATO. Budapest, for example, refused to share the critical EU attitude towards the BRI (Cosentino et al., 2018).

Hungary has had diplomatic relations with China since 1949. Hungarian Chinese relations have developed more intensively since 1989. In 2004 both countries signed a joint statement on friendly partnership and cooperation. After 2008 Hungary tried to win Chinese investments to bridge problems resulting from the economic crisis, energy dependence on Russia, and its land-locked position (Matura, 2018). Consequently, in 2010 the Hungarian government introduced the 'Opening to the East' policy (*Keleti Nyitás),* which was supposed to attract capital from China and Central Asia to counterbalance that from the EU. In 2011 Budapest enthusiastically joined the 16+1 Framework. Hungary and China also closed the strategic partnership and Hungary became the first European country to support the Chinese-proposed BRI (Duan, 2019). In 2016 the Chinese-Hungarian One Belt One Road (OBOR) Working Group Meeting was organised. Since 2000, Hungary and China have exchanged dozens of diplomatic visits, several bilateral agreements and contracts with Beijing were signed (Table 7.2), direct flights between Budapest and Beijing were opened and several infrastructure projects were developed (e.g., the modernisation of the Budapest-Belgrade railway line). In the spring of 2013 the Orbán government established the office of the Government Commissioner for Hungarian Chinese Bilateral Relations (Embassy of Hungary, Beijing, n.d.). Consequently, the China-CEE countries' Tourism Coordination Centre started to operate in Budapest. Several Chinese banks opened their regional centre in Budapest and one of the most controversial Chinese companies—Huawei—located its European supply and logistics centre in Hungary. In 2019 the opening of the campus of Chinese Fudan University in Budapest was announced which is expected to be finished in 2024 and to educate about 6000 students. During the pandemic, Hungary confirmed its long-term positive viewpoint of Eastern authoritarian powers, Russia, and China. The mask diplomacy was extended soon into vaccine diplomacy; despite the lack of approval from the European Medicines

Table 7.2 Summary of bilateral relations between CE countries and China

	Czechia	*Hungary*	*Poland*	*Slovakia*
Membership in 17+1 framework	Yes	Yes	Yes	Yes
Approved destination status	Yes	Yes	Yes	Yes
Bilateral MoU on BRI	Yes	Yes	Yes	No
Direct flights from China	Yes	Yes	Yes	No
Confucius institute	Yes	Yes	Yes	Yes
Authorisation and use of Chinese Covid vaccines	No	Yes	No	No
Approaches to participation of Chinese companies in 5G networks	MoU with the US on exclusion of Chinese companies, implied as a security problem	No restrictions	MoU with the US to exclude, legal ban followed	MoU with the US on exclusion

Source: Authors, based on articles and webpages used in this chapter

Agency, the Sputnik V and Sinopharm vaccines were included in the Hungarian national vaccination strategy.

A modest turnabout was brought by the Trump administration (US State Department, 2015; Frynia, 2019; Kingsley, 2018). Firstly, ideologically and influenced by personal attributes, Trump and Orbán understood each other (they, e.g., shared the same view on immigration). Secondly, the US feels challenged by the rise of Russia and China, and Hungary—as a flagship for the Russian and Chinese—has logically attracted Washington's attention (Gramer & Mackinnon, 2019). Furthermore, since 2018, Budapest has been experiencing some economic sobering up: the flow of Chinese investment is still low and more than a dozen joint projects have failed (Matura, 2018), with many others delayed. In 2020, the Chinese economy absorbed only 1.7% of Hungarian exports (in 2010 it was 1.6) (Telex, 2021). The Budapest-Belgrade railway became the most visible problem. The loan agreement between Hungary and China was signed in April 2020, but in a short time the project was challenged by EU investigation for violation of EU law on free economic competition.

An interesting moment is that unlike in some EU countries, increased Chinese activity has not triggered any alarm in the Hungarian political opposition or among the wider public (RFE/RL, 2021). Most Hungarians have never had problems with China and China was only a distant, unknown country. Until the end of the 2010s, nobody from the major political players opposed the opening towards Beijing and obviously public attention on the matter was meagre as well (Matura, 2018). Since 2018, with rising opposition to Orbán's illiberal government, the aversion to China has grown. For Hungarian opposition, China became the symbol of authoritarianism and violation of human rights, both typical for Fidesz and Orbán. Today, protests in China are in fact protests against Orbán (BBC, 2021). Until now, the biggest anti-Chinese wave appeared when the construction of the Fudan University Campus in Budapest was announced. Thousands of people protested on the streets and G. Karácsony, liberal opposition mayor of Budapest, initiated the change in names of several streets in the neighbourhood of the campus to commemorate the victims of Chinese human rights abuses (e.g., Dalai Lama út. /street/, Free Hong Kong Road or Uyghur Martyr's Road). Today, China appears to be one of the most negatively perceived countries in Hungary. Half of Hungarians do not trust China, and more than half prefer to cooperate with the EU in business as well as in the development of 5G networks (Table 7.1). Even part of the Fidesz voters does not agree with the pro-Chinese politics of Orbán's government (Dubravčíková et al., 2020). The Sino-Hungarian relationship is thus more than complicated.

Poland

Diplomatic relations between Warsaw and Beijing may be dated back to 1949. However, lively business and political relations between Warsaw and Beijing are relatively new. Chinese foreign policy saw Poland as a peripheral country of the Euro-Atlantic geopolitical area, so the relations with Warsaw became the far margin of Chinese policy. The Chinese perception of Poland changed in 2004 when the country joined the EU. Proof of this change was the visit of the Chinese president to Poland in 2004. Since then, several bilateral agreements have been signed (Table 7.2). In 2015 the Poland-China intergovernmental committee was established and one year later the comprehensive Strategic partnership agreement was signed. Approximately till 2016, Poland was seen by the Chinese authorities as a key actor in CEE along with Belarus, Czechia, and Serbia. This was confirmed by the visits of Xi Jinping himself to Minsk in April 2015, Prague in March 2016, and Belgrade and Warsaw in June 2016 (Góralczyk, 2017, p. 156). During the Warsaw visit, the international Silk Road Forum was organised that was attended by China and Poland's presidents. The most visible supporters of a Sino-Polish partnership in recent years were Foreign Minister Z. Rau and President A. Duda, both representing the Law and Justice Party (PiS).

Poland's clear preference is to develop business and trade relations with China, politically and ideologically Warsaw is rather reserved. The main reason is the fact that the Chinese officials present Russia as an important partner, which is, in Warsaw, seen as an obstacle to more active cooperation with China and the BRI. Economically, Poland sees itself as a central hub for China's expanding trade ties in Europe. On Poland's vision of the country's role in 2016, Polish President A. Duda commented 'that Poland will become a gateway to Europe for China, not only in symbolic terms, but primarily in actual economic terms' (Prezydent.pl, 2016). Poland feels itself to be the most important country in the 16+1 Framework; the format itself was presented in 2012 in Poland's capital.

With EU funding set to decrease after 2020, the Polish government is looking for new sources of investment. In Poland, Chinese money was perceived as a potential alternative to the capital from the EU and to implement a new economic plan of then Minister of Economic Development and Finance Morawiecki (i.e., a fiscal plan adopted in February 2017, called the *Polish Deal*) (van der Putten et al., 2016, p. 48). Today, China is the biggest trade partner of Poland in Asia and Poland is one of the largest trade partners of China in Europe. Nearly 90% of the China-Europe freight trains pass through or arrive in Poland, the port of Gdansk, which is the largest container terminal on the Baltic Sea and is COSCO's Baltic distribution centre (Majman, 2019). Relatively successful is the development of the cargo train connections between Chengdu and Lodz, and Suzhou and Warsaw, and Chinese companies are active in road and rail tenders and in other infrastructure projects.

However, the recent statistics on Poland's economic relations with China (Statistics Poland, 2021) indicate that while China increases its exports to Poland, Poland is experiencing a trade deficit. Earlier Beijing's announcements on investment were also not realised. As a result, there emerged first serious tensions between Warsaw and Beijing which deepened during the Trump administration which considered Poland the strategic channel to inflow of Chinese investments and influence into Europe. Trump's anti-Chinese stands, and deeds resulted in more active politics to

Warsaw. Furthermore, the US has traditionally been a partner of Poland in NATO and beyond and both countries have had friendly relations for decades. At the end of 2017 then-Prime Minister M. Morawiecki declared that economic relations with Beijing were difficult, and the Chinese market closed to Polish companies. Consequently, at the 16+1 meeting in Sofia, Poland significantly lowered the rank of the delegation when the country was represented by the deputy prime minister instead of the prime minister (Musiał, 2017). During the visit of US Vice President M. Pence in September 2019, both countries signed an agreement to cooperate on 5G technology. In 2020 Poland amended the National Cybersecurity Act which, even though it does not mention Chinese firms, effectively prevents the participation of Chinese companies in the development of the 5G network in Poland (Kobierski, 2021).

The changing Polish attitude to China confirms the opinion of Polish society. During the first decade of the new millennium, a relatively positive view of the Chinese project predominated in Polish society (Jakubowski et al., 2020, 368). With rising Chinese assertiveness and based on existing data indicating low investments and poor experience with Chinese companies, Polish society has been changing its attitude to Beijing and intensified its wariness. Today, almost 42% of the Polish public view China negatively and 32% view China positively (the rest have neutral views) (Table 7.1) (Brona et al., 2020). Based on the historical memory and Poland's Cold War experience, if Beijing will be partnering with Moscow and violate human rights, China will never be fully welcomed by a majority of the Polish public. Furthermore, like in other countries, there is a rising critical stand of the society to Chinese penetration of Poland's universities and research bodies. There are six Confucius Institutes in Poland and several universities have developed a research partnership with China. When in June 2019 a former Chinese Huawei executive was arrested in Poland on allegations of spying for China, universities as well as decision makers became alert (Ptak & Pawlak, 2021).

The redirection of Poland's strategy confirms the testing of development strategies without China; Warsaw is, for example, the leader of another economic and development activity in CEE—the Three Seas Initiative (3SI). The initiative, launched in 2015 by the Croatian and Polish presidents, comprises 12 EU member states, along with 11 new democracies, and Austria. Its profile is predominantly economic, stressing the necessity for proper development strategies in the region to catch up with Western Europe. From the beginning, 3SI was considered an activity interconnected with US priorities,[5] above all during the Trump presidency[6] (Cabada & Waisová, 2018).

Slovakia

Slovak Chinese relations have developed since 1949 within Czechoslovakia. Since its independent existence in 1993, Slovakia—based on its complicated domestic political situation, geographic location, and its energy dependency on Russia—has pendulated between Western orientation and Russia. In the new millennium, China was optimistically welcomed as somebody who may help Bratislava solve economic and infrastructure problems of the small land-locked country and decrease their dependency on Russia. All these are influenced by the fact that Bratislava is in a complicated situation; unlike Poland or Hungary, the country is very low on the list of US or EU priorities. Even though Prime Minister Fico declared in 2006 his intention to improve the country's economic relations with China to solve Slovakia's rising economic problems, it did not happen until 2009 when Beijing noticed that the small country existed. In 2009 the Chinese president was for the first time in independent Slovakia. Consequently, several bilateral agreements were signed (Table 7.2). In 2016 it installed, for the first time, an ambassador in Beijing and several 'Slovak houses' in various parts of China were opened.

The Chinese engagement in Slovak politics is rather low and the official bilateral relations are sporadic. Slovakia is the only CE country without a direct flight to China and both countries even did not sign an MoU or an agreement on strategic partnership.[7] In building economic links Slovakia is better, even though the available data points to low levels of Chinese investment in the country. The observers (Pleschová, 2017) suggest that the main motivation for Chinese economic engagement in Slovakia is gaining access to EU markets and accessing know-how and technology. Even though in 2017 Bratislava accepted a special dispensation to prepare

[5] Such as the transit and use of US LNG sources.

[6] In February 2020, US State Secretary M. Pompeo promised 1 billion USD to reinforce energy security and economic growth.

[7] However, it is quite understandable—Bratislava has a small airport and the car or train trip from Bratislava to Vienna airport takes less than an hour.

the space for rising economic relations between China and Slovakia,[8] there aren't many Chinese companies with manufacturers in Slovakia and greenfield investments are rather low. The biggest contracts are in the automotive industry followed by IT companies. Research contacts and technological cooperation are rising (Huawei, ZTE, and Dahua). Slovakia is also the object of Chinese cultural influence; there have been three Confucius Institutes established at universities and the Chinese CEFC expressed its interest in buying some Slovak media (TV Markíza).

Slovak politics is divided in its relationship to China, but not so deeply as politics in other countries. This is the matter of China being seen as rather distant for Bratislava. There is no political party with a clear Chinese position. The most pro-Chinese rhetoric was carried out by former Prime Minister R. Fico and then-Minister of Foreign Affairs M. Lajčák. Fico personally lobbied to secure Chinese support for the construction of a hydropower plant on the Ipeľ River, the establishment of a branch of Chinese banks in Slovakia, and direct flights between Bratislava and Beijing (SME, 2015). Lajčák looked for Chinese support when he applied to be a candidate for UN Secretary General in 2016. The most critical figure of China is the contemporary President Z. Čaputová who criticises China's approach to Tibet, Taiwan, and human rights in Xinjiang and in Hong Kong.

As China is not a priority issue in Slovak political and societal discourse, there are only a few metrics and power polls about the attitude of Slovaks to issues concerning China. They indicate that in Slovakia the perception of China is volatile (European Commission, 2021); it depends on the actual media image of China and scandals concerning Chinese investment in Slovakia or unclear and suspicious relations with prominent political and business figures. The Covid pandemic had the potential to act as an important catalyst affecting a change in the public perception of China. Opinion polls conducted in the spring of 2020 (Turcsányi et al., 2020) have shown that over 67% of Slovaks thought that China was helping Slovakia to get the pandemic under control, while only 22% of Slovaks thought the same about the EU. However, the general view of China is negative; over 40% of the Slovaks see China negatively, while a quarter of the population indicated that their views have worsened in the past 3 years (Turcsányi et al., 2020). When it comes to political self-identification,

[8] Návrh Koncepcie rozvoja hospodárskych vzťahov medzi Slovenskou republikou a Čínskou ľudovou republikou na roky 2017–2020.

there is a link between the people's perception of China and the positions of a political party with which they identify. The most negative perception of China can be found among the voters of Freedom and Solidarity (SaS) and Progressive Slovakia parties which themselves are critical of China. The most positive view of China is held by voters of SMER-SD and HLAS-SD.

However, like other countries, there also emerged some disputes about the effects of Chinese engagement at Slovak universities and in research, technological and economic cooperation (Vančo, 2021). There exist warnings about security risks from this cooperation, and there are rising concerns about Chinese participation in the 5G network development in the country. Recently, Slovak intelligence services have warned about the rising Chinese secret operations in the Slovakian territory and several observers (Turcsányi & Šimalčík, 2018) stress the risks of making Slovakia dependent on Chinese money.

Results: Falsification of (Some) Assumptions About the Chinese Presence in Central Europe

Czechia and Hungary are often considered the Chinese hub(s) in (Central) Europe. Such an assumption is presented by the critics as well as by the promoters of such a role including important executive actors in both countries. Nonetheless, being by far the biggest nation in Central Europe, Poland cannot be left out of the interplay. As in many other cases and policies, Slovakia as the smallest nation within the Visegrad Group does not seem to perform as the trendsetter.

In terms of the impact of China in Czechia, we can observe that it was not until 2004 when Chinese interest and presence in Czech territory was evident. The Chinese engagement is political as well as economic, political contacts are mainly aimed to arrange economic opportunities and geostrategic positions. Beijing meticulously monitors Czech media, criticises any statements not responding to official Chinese discourse, develops personal relations of dependence to influential actors in politics and economics, apparently blackmails those having a different world view from China, aims to improve the image of Chinese projects including the BRI, and develops the image of its own indispensability. Czech society as well as politics is deeply and irreconcilably divided in its view of China and its contribution to the development of Czechia. Today, for Czech society

China is no longer the mere epitome of a distant human rights violator, nor is it an abstract gold mine that could single-handedly jumpstart the Czech economy. Besides assistance in the supply of health equipment during the pandemic, there are no Chinese projects or activity which is perceived positively. China rather has an image of a dubious and unscrupulous villain and many of those linked with Chinese business and politics are seen as uncredible suspects.

There exists a deep gap between the government's rhetoric and data about the real engagement of China in Hungary. China has been for a long time optimistically welcomed as an actor who may help Budapest solve economic and infrastructure problems; but even the Opening to the East policy did not increase either the Hungarian export to Asia or the flow of FDIs from China, and didn't decrease Hungary's reliance on Western markets. Despite existing data indicating poor previous Chinese investment and several failed projects, Orbán's government has not been changing its optimistic rhetoric and friendly attitude to Beijing. Orbán started to use the cooperation with China as a stick to the EU, when the EU is more than vigilant to China. The change in the relationship with China and its economic engagement in Hungary could only come after the elections in 2022 if Fidesz wasn't a government party.

After a decade of partnering with Beijing, these days Poland's economic and political relations with China are rather circumspect. The Polish public as well as politics see the future of Poland as an EU and NATO member and the Beijing vision of international order with a weak American presence in Europe promoted by China goes against Polish strategic aims and vital foreign policy goals. The rise of China and China's partnering with Russia is more and more viewed as having a negative impact on Poland's security environment. While a decade ago China was portrayed as an opportunity, today it is rather perceived as a potential destabilising force of Poland's position in Europe and the world. Nevertheless, business-to-business relations are still welcomed, even though official authorities are more careful when the business concerns strategic issues such as the sale of land and estate in industrial zones or ports on the Baltic Sea. In recent years, several governmental representatives in Poland have declared that China and Russia forming a coalition is against the free world (Turcsányi & Bachulska, 2019) and the Russian invasion of Ukraine will probably make Sino-Polish relations even colder. Today, Warsaw is step-by-step awakening from its pro-Chinese dreaming.

Slovakia is the smallest and least populated CE country with a strategically unimportant position and without any strategic resources. Slovakia itself has been interested in partnering with China; however, they have remained mainly overlooked by Beijing. Sino-Slovak relations are sparse and for Slovak political representatives as well as business circles disappointing. For Beijing, Slovakia offers almost no advantage; it has neither strategic location nor resources or political influence. It can be hardly expected that the situation will change in the future. With the rising poor experience of Chinese investments, political representatives in Bratislava have been sobering up and are becoming more and more sceptical of the value of Slovak Chinese relations.

Conclusion

Business and political cooperation with China is a novelty for CE countries. All four countries acquire new experience and knowledge on China and do not have any long-term and consistent strategy for how to cope with China's rising assertiveness. Beijing itself never strove for negotiations with the CE countries as a group and rather preferred bilateral talks and special relations to individuals from CE. CE countries never tried to speak with one voice to Beijing and never tried to negotiate with China collectively. The exceptional status of the CE has been until now essentially declarative, as it does not come with any unique, bespoke political or economic instruments that somehow distinguish the Chinese engagement in the region from Chinese projects in the Balkans or the Baltic States. It seems that CE has become a space of multiple and multilevel games whose participants are local authorities, the EU, China, Russia, and the US. No other issue ever divided politics, business, and societies in Czechia, Hungary, Poland, and Slovakia so deeply as the relationship to China. Based on the evidence collected above, we try to answer the research questions from the introduction.

For decades, CE countries were on the margin of Chinese foreign policy and business interests. The milestone was 2004, when the CE countries joined the EU which significantly changed their geostrategic and economic position. The development of relations between China and CE countries was accelerated after the 2008 economic crisis when China was considered a perspective market with free and accessible money. For now, the last surge in Sino-Central European relations was within the Covid pandemic during which CE economies were strongly affected while the

Chinese economy was almost the only one rising. The rise in popularity and intensity in partnering with China has been going hand in hand with rising illiberal and populist political forces in CE countries and their anti-EU politics.

The second question was interested in forms of Chinese penetration in economics and politics in CE countries, particularly regarding projects, instruments, and strategies. First, Beijing prefers bilateral relations over any multilateral frameworks, and even multilateral frameworks such as the 17+1 cooperation are managed directly by the Chinese Ministry of Foreign Affairs and are based primarily on bilateral agreements. Such an approach will always bring advantages to China having exceptional political influence, economic strength, and size of market. To negotiate with CE countries, Beijing uses a 'carrot-and-stick' strategy when attraction and pressure are pragmatically combined. Beijing also closely watches social networks and media in CE countries to immediately stop any criticism of China. A recently used strategy included the acquisition of local media which opened the door to control the content of information, not only about China.

The third question surveyed 'who are the political supporters and opponents of Chinese engagement' in the region. In all CE countries, the political supporters of China recruit from the populist and anti-liberal political circles advocating the need for a new world order and disrespecting EU norms and values. Besides Poland, these illiberal populist forces also tend to acknowledge authoritarian rule in Russia. Opponents of intensification of contacts and partnering with China are usually liberal political forces. Those people do not close their eyes to human rights and freedom of speech violations in China and appreciate value-based foreign policy. However, as is demonstrated in the case of Czechia, these people need not be necessarily enthusiastic about the EU.

Politics and decision makers alike are divided concerning China, the division exists within societies (Table 7.1). Even though there are small differences in how many people have a negative feeling about China, in all CE countries it is approximately half of the people who do not trust China and have a negative feeling about the country. China has effectively divided politics, business, and the public and disrupted the socio-political consensus about the future development of the country. The main line of divide differs countries; however, it has similar effects—destabilisation and an increase in domestic conflicts in politics and between politics and business. The cleavage in relations to China is then reflected in media as well as in research, advocacy, and civil society campaigns. In all CE countries, there are research-advocacy groups on the rise which systematically trace the Chinese engagement in CE and inform public and policy makers. The number of those warning that Chinese activities are not transparent, not only in communication but in willingness to share information such as statistics on trade and investments or on owners of property, has been growing.

To sum up, after almost two decades of Chinese engagement in CE, it can be said that local political representation is not naïve to Chinese interests and goals anymore. Beijing promises more than it does and that from the promise it is a long way to the target. Furthermore, the way is not always lined with friendly words and deeds. Since approximately 2018 only Hungary has kept rhetoric about special relations between Hungary and China and about positives resulting from China's investments. Most political representatives of Czechia, Poland, and Slovakia are rather vigilant and circumspect. CE countries are sobering up from the 'Chinese dream' and China is—rather than real partner, use by CE countries within the EU and towards EU authorities to get what these countries want.

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CHAPTER 8

In Rethinking the Belt and Road Initiative. An (Ir)replaceable Polish Factor

Małgorzata Borkowska-Nowak

Introduction

One of the most famous polish drama, *The Wedding* (1901) by Stanisław Wyspiański, begins with a short conversation between two participants of a wedding party: Czepiec and Dziennikarz (Journalist):

> *Czepiec*
> Any news in politics, Sir?
> The Chinese hold on strong?
> *Dziennikarz*
> Oh, my beloved landlord,
> I'm fed up with the Chinese all the time. (Wyspiański, 1973)

It is hard to resist the suggestive, even prophetic power of Czepiec's question. Thanks to it, Wyspiański achieved the honorable status of a poetic prophet who predicted the future greatness of the Chinese. Nowadays, not only the peasants from Polish Bronowice near Kraków,

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where *The Wedding* action takes place, but everyone is asking themselves this symbolic question, treating the Chinese as a contender for the leadership position in the new interdependent world.

China sees the need for a "new" globalization and has great ambitions in this regard as the leader of the world economy. At the heart of its vision is the Belt and Road Initiative (BRI) announced by President Xi Jinping in 2013 in Astana as a project to reactivate the historical Silk Road—the most famous trade route linking the ends of the Eurasian continent for over 17 centuries. The route is to consist of a land section from the ancient Chinese capital Xi'an to Venice and a sea section from Quanzhou on the Taiwan Strait to the Greek port of Piraeus. Ultimately, the sea and land routes, reinforced with a railway line, are to connect to form a loop. There are many indications that this initiative will be the cornerstone of Chinese foreign policy for decades to come. The question is whether *Pax Sinica*, with all its anticipated consequences, could establish an acceptable order for the rest of the world.

The aim of this chapter is to develop a framework for discussing the role that Poland could play in the BRI project, considering the broader context of vague Sino-Polish relations and the requirements of the international environment. The central issue is to answer the question of whether Poland is a replaceable or irreplaceable factor in the New Silk Road project.

Analyses to unravel this issue consist of three parts. The first one is a short presentation of the general assumptions of the BRI project against the background of remarks on China's great-power aspirations. The goal of the second part is to confront theory with practice of operation on the example of 16+1 agreement. The point is to show "to what extent" China is willing to cooperate with its partners on the basis of equality and reciprocity. Finally, the third part has been devoted to an assessment of Sino-Polish relations and a real contribution Poland could make to the BRI project.

Arguments presented in this chapter are based on two types of sources. The first one includes books and articles that have been published on China and the BRI initiative. The second source, no less important, are press articles and radio podcasts, which provide valuable insight into matters related to projects currently being carried out in Poland.

China and a "New" Globalization

In December 2021, exactly 43 years have passed since Deng Xiaoping introduced groundbreaking reforms for China. They resulted in a significant increase in the potential of the Chinese economy and a rise in its share in the world economy. Workforce, natural resources, skillful use of the mechanisms of traditional globalization, and new technologies have allowed China to become a global investor and exporter of innovative technological solutions (Hübner, 2017). Today, the country not only follows the path of development, but also determines the directions of the world economy.

Along with the economic changes, China is going ahead with its ambitious political plans and, equally important, promoting its own mentality (Kołodko, 2018). The world does not seem to prevent this, gradually departing from the Eurocentric or Western-centric vision of the development of our civilization, where the West is the main heir to the culture of ancient Greece, Persia, and Rome (Beckwith, 2009; Ferguson, 2013). In this context, the BRI mega-project appears as a culmination of Chinese aspirations and an excellent tool for actively shaping globalization processes, based on cultural patterns and the Chinese way of understanding things—with Chinese characteristics (as the Chinese used to say) (Hübner, 2020). It enables the construction of commercial and transport infrastructure and creates circumstances for cooperation in other areas (involving intercultural and scientific exchange). In this manner, Beijing forms a new model of integration, different from the Western ones, as well as a new type of leadership involving key players in creating joint solutions.

As President Xi Jinping said during the UN 75th anniversary summit (Beijing, September 21, 2020): "Mutual respect and equality among all countries, regardless of their size, are essential to development these days. There is no country in the world that is empowered to deal with all international affairs, to decide the fate of other countries and to have exclusive rights to the benefits of development" (Xi Jinping, 2020). The BRI has become a skillful means for China to demonstrate its peaceful rhetoric. It is being presented as a "common good" and a response to international needs—open and flexible, without strictly defined targets, tools, or official detailed maps. Joining the initiative is voluntary, available to every country that is interested in peaceful cooperation. The main idea, at least declaratively, is to provide benefits to all participants of the project in line with a win-win philosophy.

During the entire program, China plans to invest up to $4 trillion in participating countries. For the financial service of the project three international institutions have been established: the Silk Road Found, the New Development Bank, and the Asian Infrastructure Investment Bank of which Poland became a founding member (Szczudlik-Tatar, 2016). It's worth mentioning that the establishment of these institutions has met with some opposition in the West, given that they provide an alternative to the World Bank, the International Monetary Fund, and the Asian Development Bank. In addition, Beijing launched dozens of think tank platforms aiming at strengthening communication between China and the world (Hübner, 2017).

On the other hand, the BRI as an ambiguous and heterogenous project is raising doubts. They are related to fundamental issues such as the chances of the project's success, its security, the problem of China's credibility, as well as the question of consequences of remodeling the global order. The Poles share these concerns, but at the same time believe that cannot afford to give up the possible benefits of the Sino-Polish alliance. They are afraid of the marginalization or isolation in the world, which the country had painfully experienced under communist rule, "behind the iron curtain". Mainly for this reason, both Polish society and the currently ruling Law and Justice Party are trying to find a place for Poland in the BRI project.

As far back as 2016, Presidents of Poland and China, Andrzej Duda and Xi Jinping signed in Warsaw a declaration on strategic partnership in which they reiterated that "Poland and China see each other as long-term and stable strategic partners and their development as a significant opportunity for mutually beneficial cooperation" (The official website of the President of the Republic of Poland, 2016). Both countries declared their willingness to raise the level of bilateral relations to promote investment in many areas, such as economy and trade, finances, transport and logistics, infrastructure, civil aviation, energy, agriculture and commerce, technology, and environmental protection. Over time, however, this initial enthusiasm began to fade away.

The first disturbing signals of problems in Chinese-Polish relations emerged in 2017 when Poland's Military Property Agency refused to sell land to Chinese investors who wanted to build a transshipment terminal as part of the corridor to the China railways (Frąk, 2018).

Recently, the Polish government has provided China with another reason that may contribute to cooling mutual relations. It is possible that

Poland will adopt a law on the national cybersecurity system that may prevent some Chinese companies from investing in telecommunications infrastructure in Poland. China is threatening to impose "reciprocal measures".

Chinese investors more and more often encounter signs of reluctance in Poland. The offers of Chinese companies regarding the development of road infrastructure, which could be part of the BRI, have recently been treated with a certain distance by the Polish side. Jan Styliński, Chief Executive Officer of the Polish Association of Construction Employers, stated that Chinese companies haven't brought new value to the road construction market so far (Klimkowski, 2020). The Polish society remembers the Chinese company COVEC, which in 2011 unexpectedly withdrew from the construction of the A2 motorway, exposing Poland to serious financial losses (Informacyjna Agencja Radiowa, 2011).

All this makes it difficult to unequivocally assess Poland's chances of playing a significant role in the BRI. Poland's aspirations to be a necessary and irreplaceable factor in the project, something more than just a transit state, are in conflict with a growing tension and distrust in mutual relations. It seems that there is no comprehensive and stable Polish strategy toward the Chinese initiative. In order to define such a strategy, it is necessary to establish a framework for cooperation as well as mutual expectations of both sides.

CEEC Versus the BRI

The effectiveness of the 16+1 cooperation platform between China and Central and Eastern Europe (CEEC) seems to be a reliable test of whether the BRI project is something more than just wishful thinking. Both initiatives are related to each other in the sense that some projects are seen as part of the 16+1 and the BRI at the same time.

The CEEC platform was launched in Warsaw in 2012 on the initiative of the former Chinese President Hu Jintao, as a forum for the implementation of common goals. Initially, the format brought together 11 EU countries (Lithuania, Latvia, Estonia, Czech, Slovakia, Hungary, Poland, Slovenia, Croatia, Romania, Bulgaria), 5 Western Balkan countries (Albania, Bosnia and Herzegovina, Macedonia, Serbia, Montenegro) and China—the center for decision-making processes. In 2019 Greece joined the format as its 17th member (which seems significant due to the Greek port of Piraeus, where the Chinese shipping company COSCO has made significant investments). However, after a short period of strengthening the group, in May 2021 Lithuania decided to withdraw from the agreement.

According to the primordial assumptions, cooperation is to cover five areas: trade and investment, production and energy, transport connections, financial cooperation, and people-to-people relation (Przychodniak, 2017). Although, in practice, there are serious obstacles in achieving these goals. The problem is, above all, an enormous diversity of the region which makes it impossible to apply one unified policy. There are also cultural and political differences that prevent the group from being a strategic force (Kaczmarski, 2015).

Briefly, the platform creates a heterogeneous entity linking countries that have little in common, except for the communist past. As a result, the 16+1 split into two parts: the Balkan states that are the greatest beneficiaries of the cooperation (Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, and Serbia) and the rest where little is happening (outside of Hungary), especially in the area of investments (Warsaw Institute, 2019).

It does not change the fact that trade between China and the CEEC countries is systematically growing. According to the data from China's Ministry of Commerce, China's total trade volume with the CEE countries ticked up 8.4% in 2020 to topple $103.45 billion, dwarfing the $100 billion threshold for the first time. In the first quarter of 2021 China imported $8.17 billion worth of goods from CEEC, an increase of 44.7% year-on-year. For the future (2021–2025), Beijing intends to increase the volume of imports of goods from these countries to $170 billion (Xinhua Silk Road Information Service, 2021).

When it comes to Poland, cooperation with China looks good at first glance. As reported by the Polish Economic Institute (PEI), citing the data of the National Bank of Poland, by 2019 the accumulated value of Chinese direct investments in Poland amounted to US$1.2 billion. In 2020, Poland was one of the main recipients of Chinese investments in the European Union. Their total value could reach approximately US$1 billion. Larger funds have been invested only in Germany (US$2 billion) and France (US$1 billion) (Dziennik Gazeta Prawna, 2021). The slightly worse news is that a record result was achieved thanks to one huge transaction. The Singapore-based GLP company, operating in the logistics real estate sector, has entered the European market, mainly Polish (Frączyk, 2021). It is not the investment that Poland could particularly care about.

The problem is that what China needs from Poland is not necessarily the same as what Poland needs from China (Pendrakowska, 2018). Looking from the Polish perspective, expectations toward Beijing relate mainly to the development of infrastructure and an increase in export. So far, the Polish export structure to China has been determined by one company alone—KGHM Polska Miedź—one of the largest Polish state-owned companies and a leading producer of refined copper and silver in the world. Poland is still striving to attract potential Chinese recipients to products such as dairy, pork, apples, furniture, and rubber goods. However, little comes of it.

The results of cooperation within the China–CEEC should therefore be considered unfavorable:

In 2013 the first rail transport link between China and Poland was launched. Currently, the journey from Chengdu to Łódź (via Kazakhstan, Russia and Belarus) takes 15 days.

In 2015, two institutions were founded: a new Consulate General in Chengdu as well as a post of Representative of the Ministry of Agriculture and Rural Development at the Polish Embassy in Beijing.

Since 2017, Polish-Asian Chamber of Commerce together with its partner Sino-Polish Chamber of Commerce has been implementing the Center Poland-China Project.

In 2018 the Polish Port Gdańsk opened its office in Shanghai.

There is little evidence that Polish hopes of being a strategic location on the BRI map will come true. Beijing has always promised a lot, though no significant project for Poland has been launched under the banner of the BRI. Such a disappointment is not only the share of Warsaw. The European Commission aims to form a united front in the EU's policy vis-à-vis China, perceiving the 16+1 initiative as a threat in the face of China's expansive investment policy. It is not an easy task considering economic reasons and divisions within the European Union.

More and more countries have been withdrawing from cooperation with Beijing. The government in Romania wants to exclude Chinese companies from participating in public tenders. Lithuania is considering similar steps. Earlier, tenders were canceled in Slovenia, Croatia, and the Czech Republic. In Greece, there is a discussion on whether to allow the Chinese shipowner to increase shares in the port of Piraeus (gsz, 2021). It seems, however, that it is too late for such gestures and discussions. China has been building its position in Europe for many years, so breaking ties with it would not be easy. For many countries, including Poland, China serves as the largest producer and supplier of various types of goods. In order to break free from such dependence, some alternative must be created. It's here where the space for an assertive policy toward China has been opening up.

Relatively little space in the Chinese debate has been sacrificed to the future of the 16+1 format. Arguments have been raised about the need to revise the current view of the region and use the experience of the last few years. Despite the low effectiveness of the agreement, China wants to continue it. This is used by Beijing to improve long-term bilateral relations with selected countries in the region and create in this way the foundations for a political and economic presence in Central and Eastern Europe (Kaczmarski, 2015).

Poland's Competitiveness in the Baltic Sea

Poland is the country with the largest container transshipments in the ports of the Baltic Sea. It seems, therefore, that a real chance for Poland to participate effectively in the BRI project would be the development of the infrastructure necessary for the implementation of intermodal transport (using more than one means of transport, i.e., swap body, container, or semi-trailer, on the basis of one loading unit along the entire route).

The development of intermodal transport has been fostered by the implementation of the European Union's transport policy in the field of the development of the Trans-European Transport Network (TEN-T), the priorities of which were set in 2013/2014. The main target of the initiative is to create the core network, including the development of nine transport corridors and the most important nodes (including seaports, inland water ports, and rail terminals). Two core network corridors run through Poland: the Baltic Sea–Adriatic Sea and the North Sea–Baltic Sea. Their strategic nodes are four seaports: Gdańsk, Gdynia, Szczecin, and Świnoujście (Raben, 2016).

Particularly noteworthy is DCT Gdańsk—the largest container terminal in the Baltic Sea, connecting Asia and the European Union with the emerging markets of Central and Eastern Europe. The terminal is located at the port of Gdańsk. It delivers containers to the Czech Republic, Slovakia, Sweden, Russia, and Finland. At DCT Gdańsk, containers are reloaded at a deep-water quay, the depth of which reaches 17 meters.

Thanks to such navigation parameters, DCT regularly serves the largest container ships in the world, becoming more and more competitive for the ports of Hamburg and Rotterdam.

In mid-2022, DCT Gdańsk will start the construction of a new terminal—Baltic Hub 3. According to Łukasz Greinke—the former Chief Executive Officer of DCT Gdańsk—it is a great chance for Poland*:* "We want to open a window to the world and give a chance to all entities that start to think globally. We want to be the port of first choice also for our southern neighbors. We want to reverse this stream of loads that has flowed from west to east so far" (Pietrzak, 2021).

A third deep-water quay will be built in the port area (717 m long, 18 m deep, and a 36-ha square), thus increasing the handling capacity of DCT Gdańsk by 1.5 million TEU to a total of 4.5 million TEU per year. The launch of the terminal is scheduled for mid-2022 (Derewienko, 2021). Thanks to this investment, DCT Gdańsk will be able to service not only the Polish market, but also the entire Baltic Sea region and Poland's inland neighbors. Policymakers in Warsaw see it as one of the potentially strategic points on the BRI—a maritime gateway to the markets of Central and Eastern Europe for Asia and at the same time the only Baltic port that supports direct container connections with China. On the other hand, however, Poland's role in the project will be adequate to the importance of the entire region on the map of the New Silk Road.

Małaszewicze on the New Silk Road

Among the investments currently underway in Poland, Beijing's greatest attention is drawn to a dry logistic hub in Małaszewicze on the Polish-Belarusian border, where containers are transshipped from broad-gauge rolling stock (1520 mm) to standard-gauge rolling stock (1435 mm). Małaszewicze is attractive mainly due to its geostrategic location—on the shortest transit route connecting the EU and Russia. Ninety percent of the freight trains from Asia to the EU pass through here (from China through Kazakhstan, Russia, Belarus, and Poland, ultimately to other European countries).

In November 2019, the hub was enlarged with a new terminal, providing regular intermodal connections from Xi'an via Małaszewicze to DTC Gdańsk, and from there by sea to Great Britain and Scandinavia. It is worth adding that the current travel time from the main ports in China to the terminal in Małaszewicze takes 12 days, and from Xi'an to Małaszewicz only 8 days. This is of great importance considering that Poles would like to export food to China.

At present, just 2 years after the opening of the terminal, it has almost reached its maximum capacity. Only in 2020 it handled 11,000 trains—twice as many as in 2019, becoming the most efficient container terminal in this part of the New Silk Road. On August 29, 2021, the highest capacity result was achieved—18 trains on the exit and 15 trains at the entrance passed through the broad-gauge infrastructure for the first time (Janowski, 2021).

In response to the growing demand for the services of the Małaszewicze hub, PKP Cargo company is planning a large investment aimed at maximizing reloading. The plans assume that the expanded hub will reach the capacity allowing it to handle up to 55 pairs of trains a day. In addition, the project includes the modernization of the existing six stations (Chotyłów, Bór, Małaszewicze Centralne and Rozrządowa, Kobylany and Zaborze), as well as the construction of three new ones (Kobylany Zachodnie, Osypisko and Karaczewo). This is another step toward the further strengthening of Poland in the areas constituting the external border of the EU. On September 30, 2021, the governor of Lublin issued a permit for the extension of the logistics hub in Małaszewicze. The commencement of construction works is planned for the beginning of 2023 and their completion in 2027/2028 (Majowicz, 2021).

According to Andrzej Sokolewicz, Chief Executive Officer of the railway company Cargotor: "There is no better moment for the Chinese concept of the new Silk Road to turn into a genuine benefit for Poland" (Burda, 2021). Indeed, the development of the hub in Małaszewicze creates the possibility of trade exchange on an unprecedented scale, at a reasonable price, and quickly (within 8–14 days, while the maritime transport takes about 40 days on the same route). Małaszewicze is, therefore, the strongest Polish accent on the map of the New Silk Road. It doesn't seem, however, that the success of intermodal transport could significantly affect Poland's position in the context of the entire BRI initiative.

Conclusions

Poland joined the BRI with great expectations, treating the initiative as an opportunity to attract investments, expand export, and take part in infrastructural projects. For several years, there has been an endless national discussion about the privileged position of Poland on the New Silk Route as well as the expected benefits of participating in the project. However, no significant project has yet been realized under the BRI banner. The reasons are on both sides, Polish and Chinese. Poland, somewhat contrary to its courageous rhetoric, behaves reservedly in relations with China. Optimistic visions and hopes are intertwined with fears, relating to China's increasingly confrontational attitude toward the West and its aggressive promotion of export. Jens Stoltenberg, NATO Secretary-General, believes that NATO allies should be prepared for a possible threat from China, which hegemony means "a fundamental shift in the balance of power in the world" (Reuters, DPA/stas, 2020). Anthony Saich from Harvard University says something similar: "Domestic policy plans should not fuel global tensions, but it is clear that Xi wants China to become the dominant player in the global arenas, and this will lead to increased tensions" (PAP, 2021).

In such circumstances, there is little indication that Poland could become the main gateway to Europe or an irreducible factor in the BRI project. Undoubtedly, Poland should carefully analyze Chinese promises, reduce its expectations toward Beijing, and at the same time place greater emphasis on cooperation with the EU and NATO.

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CHAPTER 9

Consolidating Lao-ness: China in Laos in the Age of the BRI

Phill Wilcox

Introduction

Driving north from Luang Prabang in Northern Laos one day in mid-2019 on the back of a friend's motorbike, my friend paused to gesture towards a Chinese construction site for the high-speed railway that would link Laos with China and which has since been completed. He told me that he wanted to tell me two important things about China in Laos: "first, it is good when more Chinese come to Laos. They will help Laos to create more companies… and other businesses. This will create more jobs for Laos and will help the Lao economy to go faster… And second, I am a bit sad when more Chinese come to Laos… I feel like this is not for Laos.

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Wherever Chinese [people] live in Laos, I feel like that area is China, not Laos anymore."[1]

China in Southeast Asia, and elsewhere, is a very topical issue, with Nyíri and Tan (2017) noting the breadth and speed of the rising visibility of China is unprecedented in the last decade across the region. Amid such rapid expansion, concerns that China is a neo-colonising force that is expanding its influence across the global South have gained traction (Ferdinand, 2016; Lim, 2015). The growing presence of China leads to a conflation of rising Chinese influence in the global South with the state of contemporary China itself (Lyttleton & Li, 2017; Nyíri & Tan, 2017). This is what Lee has termed "the scepter of Global China" (2018, p. 1); namely, the idea of Chinese influence, money, people, and by virtue of that, China itself, haunting the world. But at the same time, a more nuanced view of a world influenced by global China has developed, with scholars debunking notions of a mastermind in Beijing overseeing neo-colonial expansionism and recognising that on the ground there are a plethora of local engagements with China and Chinese actors (often seen as a proxy for China itself) in ways that complex, and often contradictory (Laungaramsri, 2019; de Olivera et al., 2020).

In Laos itself, there are numerous Chinese-operated small businesses, agriculture concerns, and most notoriously, several Chinese-operated Special Economic Zones, all of which have acquired a reputation for being able to flout local laws. Many Lao people complain about the ease with which the Chinese can acquire control of land in Laos. Chinese actors are also behind many infrastructure projects in the country, including the new Vientiane-Luang Prabang highway, and most visibly of all, the Laos-China Railway, which runs approximately half the territory of Laos, now providing a rail link between China and Laos since 2021 and will, ultimately, link Kunming and Singapore (Suhardiman et al., 2021).

Laos is one of the poorest countries in the world and defined by the UN as a Least Developed country since 1971.[2] It is, therefore, easy to see development as an urgent, and national priority. As the Lao authorities seek to develop the country, this aligns well with Chinese interests in

[1] The Lao People's Democratic Republic is referred to here as Laos. Every citizen of Laos is a Lao citizen. To distinguish between citizens of the country and those who are also part of the majority ethnic group, I refer here to the latter as lowland Lao.

[2] Please see https://www.un.org/development/desa/dpad/least-developed-country-category-lao-peoples-democratic-republic.html

encouraging Chinese citizens to seek opportunities outside China, and more visibly at national and international levels which culminate in initiatives such as Belt and Road (BRI) (Winter, 2016; Yu, 2017). Few Lao would deny that their country needs to develop, but at the same time, many express concerns about rising numbers of Chinese in Laos. As Chinese influence increases in its visibility throughout the country, growing numbers of Lao youth learn Chinese and many Lao people buy Chinese products or see Chinese businesses as a source of employment. In other words, China, and Chinese actors in Laos, is recognised as a significant driver of change that impacts the lives of much of the Lao population. China is both a source of opportunity, and anxiety, but regardless of which is felt more strongly, is now embedded in the landscape.

My suggestion here is that in a country with a relatively short history as an actual nation-state, an ethnically diverse and rather disparate population which produces a weak sense of national identity, the issue of China in Laos is a rare example of an issue on which the Lao population comes together. While this does not in and of itself, change the very unequal ethnic hegemony that results in many ethnic minority citizens living in discrimination, in their concerns that Laos is fast disappearing and becoming China, people across the Lao population from different ethnic groups make claims of belonging.

I will begin with a brief overview of Lao history and how ethnic classification formed a major part of attempts to unify the country following its revolutionary birth in 1975. That process privileges the majority ethnic group, the lowland Lao. From there, I will show how Laos is changing at speed because of an ambitious agenda of development that has also encouraged a considerable level of foreign, and Chinese, investment. I will then demonstrate how this has had the unique effect of consolidating a sense of Lao-ness, or togetherness, amongst the Lao population in a landscape of rising China in Laos.[3]

[3] Research for this chapter was conducted in 2019, during which time I lived in Luang Prabang. I carried out ethnographic research with ethnic minority and lowland Lao citizens in Northern Laos. This comprised participant observation and multiple interviews with around ten key interlocutors between the ages of 20 and 50 years old.

Constructing National Identity in Revolutionary Laos

The nation-state of contemporary Laos was created within its contemporary geographical borders in 1899 (Ivarsson, 2008) as a direct result of French colonialism. With considerable ethnic diversity that embodies numerous languages, cultures, and belief systems, the French retained the Lao monarchy, Lao as the national language. The culture of the dominant ethnic group, the lowland Lao, became the national culture. Apart from a very small, educated elite, most of the population lived in rural areas, with their livelihood dependent on rice farming (Evans, 2002). This is still largely the case today, with much of the population surviving as subsistence rice farmers.

By the time Laos gained independence in 1953, it still had no real cohesive sense of national identity and, as events in neighbouring Vietnam escalated, Laos itself also slid into Civil War between pro and anti-communist fighters. This did not stop in Laos, with the most famous example being US-backed recruitment of the Hmong as an army to fight against communism (Evans, 2002; Pholsena, 2006). The impact of which still has negative consequences for the Hmong in Laos today.[4] When the war ended, the contemporary state of Laos was established in 1975 with one-party socialism as its ideology, a governance system it retains.

Upon the conclusion of the conflict, the governing authorities of the country that they had declared a socialist republic faced an immense task to unify the country into a cohesive nation and population. Accordingly, they embarked on a narrative of “the Lao multi-ethnic people”, which promoted notions of a diverse population united under a banner of Lao nationhood in which all citizens play a valuable role. Scholars generally agree that its impact has meant an overwhelming sense of ethnic hegemony that posits ethnic minorities against the dominant ethnic group (Schlemmer, 2017; Pholsena, 2018). It also speaks to what I and others have noted to be a paradox in considering ethnicity in Laos. Namely, that as an ethnic minority citizen, one’s claims to belong in Laos rest on being different, yet one must not be too different to attract allegations of

[4] The Hmong are one of the largest ethnic minorities in Laos by population numbering just under 10% of the total. The other with similar numbers is the Khmu, who number around 11% of the total population. Please see the Lao Population and Housing Census (2015). Further information about the ethnic demography in Laos can be found in Schlemmer (2017).

would-be separatism (Goudineau, 2015; Wilcox, 2021). This is particularly relevant for minorities such as the Hmong, who have more ambiguous claims to belonging in Laos in view of their history.

While everyone in Laos belongs to an ethnic group, in everyday life a sense of majority ethnic group versus minorities prevails. This means that not all minorities belong equally. When one interacts with the state in Laos, it will be in the Lao language and in lowland Lao cultural norms (Schlemmer, 2017). Education is solely in the Lao language. Many ethnic minorities still do not speak Lao fluently but must do so to interact with officials with whom they may not share a common language or culture. Similarly, lowland Lao clothing has become the national dress throughout the country (Vallard, 2011). Ethnic minorities are likely to be amongst the poorest members of the population.

Unsurprisingly, minorities complain of discrimination at all levels of Lao cultural, political, and social life. Many complain of derogatory comments about their ethnic origins, or the perpetuation of unhelpful stereotypes. Many note that they have been subject to often aggressive attempts to integrate them, which have often manifested in involuntary resettlement from their traditional highland homes (Bouté & Pholsena, 2017). One interlocutor, also Hmong, explained to me how his family had been resettled from a highland to a lowland area, and that this had been justified as their being able to access better services and amenities from the state. Yet many recipients of this policy noted that it seemed to have more to do with their community being accessible to the state than vice versa. Others talked about how ethnic minority villagers are always the first to be relocated in advance of lowland Lao counterparts. The result is that some claims to Lao citizenship are more valid than others and results in an apparently national culture, with minorities providing local colour mostly at the periphery (Tappe, 2013; Vallard, 2015; Wilcox, 2021).

Fast Track Development

In a country pursuing an ambitious and urgent agenda of development, this unequal ethnic hegemony has significant impacts on who makes decisions on development, where, with whom, who will be relocated, and so on. A cornerstone of Lao government policy is that the country must graduate from the status of a Least Developed Country by 2025 and become a middle-income country shortly after (Bouté & Pholsena, 2017). Across Laos, this has led to rural areas being utilised to further these development goals particularly through infrastructure development, with large numbers of rural inhabitants relocated in the name of development under a policy named Turning Land into Capital (Dwyer, 2017). This also provides the very visual spectacle of rapid development, which is a common feature of Chinese-backed mega-projects such as roads and railways (Sims, 2017).

Development is commonly understood by the population of Laos to mean raising living standards, the provision of amenities such as transport and utility infrastructures, improved healthcare, and education, as well as the reduction of poverty. While such aims sound laudable, it is also worth keeping in mind that not everyone feels the benefits or disadvantages of developing Laos equally, with many development initiatives and projects privileging state and private interests far more than the needs and voices of people living in poverty (High, 2009; Sims, 2017).

Developing the country, often via infrastructure, is very much part of everyday life in Laos, even while critics worry about growing inequality throughout the country (Alston, 2019) and that, as the country develops, inequality will be reproduced in different ways. While some have sought to argue that, contrary to popular perception, it is more accurate to suggest that the Lao authorities are outsourcing responsibility for certain areas to avoid administering them, for example, the various Special Economic Zones, to external actors as a deliberate strategy (Suhardiman et al., 2021; Tan, 2017), this does not change concerns widely aired throughout the Lao population that Laos itself is being consumed by China in the name of national development (Lyttleton & Li, 2017; Lyttleton & Nyíri, 2011). The rapid rise of Chinese influence in Laos has also brought Chinese actors much closer to much of the Lao population, literally and metaphorically.

Encountering China in Laos

People of Chinese heritage in Laos are not themselves new. Vientiane, the national capital of Laos, has long had an area known as Chinatown. What is new however is the conflation of Chinese actors/actions with the contemporary state of China (Lee, 2018; Nyíri & Tan, 2017). For Laos, this means improved transport links between the two, growth in visibility of Chinese actors, language, and businesses throughout the country. Today it is common to see and hear the Mandarin language and to purchase Chinese products throughout Laos and particularly in Lao cities. While many Chinese are involved in construction or agricultural activities in Laos, others migrate for smaller business opportunities, for marriage prospects or as tourists (Nyíri & Tan, 2017; Rowedder, 2019; Sims, 2017).

Accordingly, the Lao population encounters Chinese actors in different forums and for different reasons. Some work for Chinese businesses, or purchase products (often Chinese in origin) in the growing numbers of Chinese-operated shops. Others seek new employment opportunities or study the Mandarin language. But however far the population engages with Chinese people and orientate themselves towards a future in which China is increasingly prominent, this is also done with a certain critical awareness of the complexity of life in a changing Laos (Rowedder, 2019; Wilcox, 2021). As Lampton et al. put it: "the Lao view is, 'the Chinese will do what the Chinese do, and we need a railroad'" (Lampton et al., 2020, p. 223).

I have heard repeatedly that Laos must develop, but also needs strong laws to mitigate against the undesirable impacts of too much Chinese investment and activity in Laos. Many commented to me that they felt the Chinese find it easy to flout Lao laws when they come to Laos, and have little interest in local language or culture, and that many more Chinese would come now that transport connections have improved. A lowland Lao business owner commented to me that the Chinese behave in Laos as they would in China, with little regard to it being a different country. Others commented that Chinese businesses often lease land for very long periods of time (something that many Lao counterparts cannot afford), but then appear to do very little with it and that their assumption was that this is something to do with the Chinese making claims to a future in Laos. Many interlocutors have suggested to me that it is China itself that will migrate and as one of my interlocutors put it, "in the future everyone will speak Mandarin and work for the Chinese".

Even so, citizens of Laos may still partner or work with the Chinese, and not everyone regards China in the same way. This was noted by Lyttleton and Li (2017) who argue that Akha farmers took advantage of the new economic opportunities such partnerships offered. Even so, on the side of the Akha, these partnerships were guided by an overriding sentiment that their [Akha] land was being taken away and that consequently, the Chinese represented an existential threat, like the sentiment in the opening description of this chapter, which was uttered by a Hmong citizen of Laos. The extent to which people engage—willingly or otherwise—with China in Laos is also relevant to what other options are available to them. Such was the case for some of my ethnic minority interlocutors who, after decades of actual or perceived discrimination against them by the lowland Lao, sometimes talked about studying in China or working for Chinese companies as an alternative future building strategy in the face of few other options in Laos.

China and Entrenching a Sense of Lao-ness

Claims of belonging are crucial here because, in their concerns about China, Lao citizens from across different ethnic groups make claims that they belong in Laos while the Chinese do not. My suggestion here is that across the Lao population and including the ethnic minorities, there is a clear sense of "we, citizens of Laos", as opposed to "they, citizens of China", which is developing. In private spaces of the Lao population, the Chinese are subject to all sorts of jokes and stereotypes that reinforce a sense of us/them. China and concerns about China are a unifying issue and, I argue, have become part of the cultural intimacy of Laos (Herzfeld, 2016) or its imagined community (Anderson, 2006). Stereotyping the Chinese is the part of life that "everyone knows" in Laos. In September 2019, a Lao man wrote on Facebook that he had found some graffiti in the Mandarin language on one of the sacred sites in Luang Prabang, the cultural centre of Laos. This was followed by an outpouring of comments that the Chinese do not respect Lao culture and that they should learn Lao cultural norms before arriving. These private sentiments bring people together as citizens of Laos in their concerns and bring them together as citizens of Laos. In such a disparate and country divided for most of its history, from ethnic minorities to the small numbers of middle-class Lao, China in Laos represents a unique example of togetherness.

This sort of discourse has caught the attention of the Lao authorities, who have taken to printing signage in Lao, English, and Mandarin about appropriate behaviour in Laos. However, this does not alter sentiments expressed by my interlocutors about how the growing numbers of Chinese in Laos mean that the country will change significantly and at speed. Many worried that their prospects for employment will turn on whether they can speak Mandarin. One young Hmong commented: "if I learn Chinese, I'll never be out of a job". Another who worked for a Chinese business noted the poor working conditions and observed that he sometimes felt that he himself, like Laos, was being purchased by the Chinese. He asked me:

"Can you imagine? The Chinese can come here and do whatever they want".

The commonality of this issue, as well as the startling use of we as opposed to them, speaks of what Brubaker (2002) has termed groupness and how the composition of groups, can and does change over time. Moreover, it rests on notions of belonging which as Pfaff-Czarnecka (2011) notes, are determined by a collective boundary that determines who belongs and who does not. Here the boundary is of citizens of Laos, which is a rare show of unity on a common issue. Interestingly, when talking to people in Laos about China, they often suggest that the Lao government should do something to mitigate the adverse effects of China in Laos. I have been told repeatedly that Laos needed stronger laws in the face of such changes but more significantly, have heard this from different voices in Laos. These voices have been lowland Lao and from various minorities, while some will win and lose more than others, is significant, many of these voices come from people who are otherwise alienated by the national project.

Such sentiments do not alter the unequal ethnic hegemony and widespread discrimination against ethnic minorities in Laos. A discourse of belonging as Lao citizens of Laos can go only so far. However, the premise that China in Laos has the unique effect of producing a sense of togetherness remains. This is in the face of an external threat or force of change that is very visible to much of the population of the country, whoever they are and from whatever ethnic group they originate or belong. This drawing of a distinction between "we, the Lao" and "they, the Chinese" is expressed clearly in the words of one interlocutor (a lowland Lao) at the end of a long conversation about China in Laos with the words: "we are Lao. We live here. We know what we need".

Conclusion

Forty-five years after the birth of Laos in its contemporary form, Laos remains a young nation with a diverse population and numerous cultures, religions, and languages. Attempts to unify the country have resulted in ethnic hegemony for the lowland Lao, and a coherent sense of nationhood remains limited. Many of the ethnic minorities have little in common with other members of the national population and, as we have seen here, belonging as part of the Lao multi-ethnic people is a contested process. Many minority citizens complain about discrimination against them on the part of the Lao political establishment. This makes for a place in which the state does not represent all members of its population equally and a place where people do not belong equally.

The rising presence of China in Laos and its growing visibility as a driver of change represents an interesting question because it is an issue that impacts people across the population, albeit in different ways. Clearly, there will be some winners and some losers out of the processes of change and as the country continues its trajectory of fast-track development, these are often felt acutely. While foreign investment is promoted as a legitimate means for development, who belongs in this changing landscape and in a Laos influenced increasingly by its northern neighbour, China, remains a live issue.

I have argued here that China's rise in Laos has the unique effect of producing a sense of togetherness as citizens of Laos in the face of a force of change or even the perception of China as an external threat. From concerns about Chinese actors buying Lao land to the country becoming further entrenched in the orbit of global China, Lao citizens are experiencing a resurgence of notions of what it is to be Lao in this changing world and arguably, what it means to be Lao together. We see this in the words that opened this chapter: "that area is China, not Laos", I have argued that we see a sense of nationality and national identity, belonging, and a consolidation of Lao-ness, that is often otherwise absent. China and China in Laos then have become an issue on which the Lao population can come together in their anxieties, and optimism, about development in this fast-changing landscape.

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CHAPTER 10

India's Response to the Belt and Road Initiative

Serge Granger

Introduction

China's announcement of the Belt and Road Initiative (BRI) project in 2013 confirms the predominant role it wants to play in the global arena. These new Silk Roads amplify Chinese influence in Eurasia while increasing access to the seas. Combining Mackinder's theses on land powers and Spykman's theses on maritime powers, China is positioning itself as the new center of the world not only from a commercial but also political point of view. This assertion of Chinese power particularly worries its Indian neighbor, the only country in the world that can compete in terms of population.

Several Indian observers see the BRI as confirmation of China's desire to dominate the Eurasian corridor that encircles India, limiting its ability to benefit from intercontinental trade. Even worse, the growth of China's political influence in South, Southeast, and Central Asia would threaten its

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security since satellites or Chinese allies would surround India. For India's former Ambassador to China and the United States, the deployment of the BRI "confronts maritime and continental Asia as China articulates its growing hard power" (Devonshire-Ellis, 2015). The example of the cessation of operations at 70% of the Sri Lankan port of Hambantota to Chinese interests for 99 years confirms this "debt-trap diplomacy", which favors the establishment of a "Chinese pearl necklace" surrounding India. Furthermore, the BRI provides additional political advantage for China to influence neighbors of India (Ginsburg, 2021).

India's concerns are on three levels: first, greater economic influence from China would undermine India's ability to procure the resources needed for eventual industrialization deemed essential to calm Indian unemployment aggravated by young demographics. The flow of Eurasian trade would flow to or from China making it difficult for India's competitiveness to do the same. From a geopolitical point of view, India's traditional sphere of influence in South Asia is weak. Apart from Pakistan, China is seducing the small countries of South Asia (Bangladesh, Sri Lanka, Nepal, and the Maldives), only Bhutan has minimal relations with Beijing. Finally, security concerns are pushing India, with its reduced resources, to counterattack by proposing its own projects with its neighbors. This competition within Sino-Indian multilateralism pushes India to multiply agreements and follow the pace imposed by China. These three concerns are addressed to demonstrate that India's fear of the BRI is part of a redefinition of its place in Asia and the increasingly Sinicized world.

Partner or Rival?

Regardless of the different forums, maps, and plans of the BRI, it virtually ignores infrastructural connectivity with India. India was absent from the first two Belt and Road Initiative Forums (2017 and 2019) and the only connectivity projects between India and China were omitted from these gatherings. Connectivity projects between China and India appear to be the most unfeasible projects within the BRI. The TransAsia Railway connecting Shanghai to Istanbul via Delhi is far from completion and the Bangladesh-China-Myanmar-India (BCIM) connectivity project is constantly postponed. Initially imagined in the 1990s, the budgets for BCIM's feasibility studies were allocated (2018) but only cover the China-Myanmar section. This lack of connectivity between India and China is not dramatic since more than 90% of international trade goes through the seas but confines India to the subcontinent without direct access to the Eurasian corridor. Also significant is the inability of the Sino-Indian authorities to build trust and interdependence through the construction of cross-border infrastructure.

In addition, the BRI risks increasing further satellization of central Asian republics that are members of the Sino-centric Shanghai Cooperation Organization (SCO). These countries facing security issues will have to work more closely with China to ensure the protection of Chinese nationals on their territory and due diligence in the handling of cargo. China's influence will push these neighboring countries to cooperate to pass on sensitive intelligence that guarantees its national security, especially in Xinjiang. For India, its full membership of the SCO in the summer of 2017 is a gateway to Central Asia, but China's preponderance within the organization will limit the multilateral success it hopes to achieve by becoming a member.

The BRI's infrastructure connectivity also increases China's strategic influence across maritime areas that include the Indian Ocean, the Arabian Sea, and the Bay of Bengal. This Chinese activity worries India, a predominant geopolitical player in this maritime space. India's main concern is whether the new infrastructure linked and financed by China will serve military and strategic purposes. Two BRI projects encircle India and directly overlook the Indian Ocean: The China-Pakistan Economic Corridor (CPEC) connects the city of Kashgar (Xinjiang) to the port of Gwadar in Pakistani Sindh and the China-Myanmar-Economic Corridor (CMEC) allows Yunnan to reach the Bay of Bengal through Kyaupkyu port in Myanmar's Rakhine State. These projects financed in part by the Asian Infrastructure Investment Bank (AIIB) were launched in October 2014 with 57 participating countries with $100 billion available capital.

Despite Indian objections to capital being used to build infrastructure in disputed areas such as Kashmir, Pakistan remains the first destination for massive Chinese investment in the BRI (30% of total investments out of the $90 billion committed so far). The BRI and Karakoroum Highway provides direct linkages between China and the Oman Sea to the Gwadar port, which contributes to the development of mines in Balochistan and Afghanistan. A rail connection with Afghanistan will also provide a way to extract copper from the Aynak mines acquired by the China Metallurgical Corporation Group Corporation. Chinese investments of US$3.5 billion for the mine and the construction of a railway linking Logar province, south of Kabul, to the Pakistani border town of Torkham, will be used to transfer goods to China (Jan & Granger, 2016). In addition to the copper deposit, the Chinese are interested in Afghanistan's iron and gold mines. The corridor will address Afghanistan's infrastructure gap and connect it to CPEC.

By multiplying railways, pipelines, and highways, China is becoming essential in the production of goods, from extraction to production and also distribution. In recent years, the China-Europe trade flow has increased from 114,000 tons in 2013 to 511,000 tons in 2016, accounting for only 2% of total exports, but Beijing wants to significantly increase this flow to allow the western and central provinces to export nearly a quarter of their exports to Europe. From 2011 to 2018, the number of Europe-China trains increased from 900 to 6300 (Lasserre et al., 2020).

In addition, Chinese oil imports, although very expensive, can be transported from the Arabian Sea to the port of Gwadar instead of transiting off the coast of India (Erickson & Collins, 2010). This Chinese-funded and managed port could still house Chinese destroyers in the event of maritime conflicts or piracy. Finally, the consolidation of CPEC confirms Pakistan's sovereignty over the Kashmiri territory it already possesses to the detriment of India's territorial claims. From a military point of view, the Sino-Pakistani alliance worries India making it more vulnerable on several fronts.

By far the largest investor in Myanmar (US$5–6 billion per year), China wants to increase its presence there to facilitate its shortest and most affordable access to the Indian Ocean. It took 19 years before a Chinese president visited Myanmar to promise three important projects. During his January 2020 visit, Xi Jinping announced that China would fund three projects: a deep-water port in Kyaupkyu, a fast train connecting Kunming to the port, and the development of New Yangon. Projects totaling several billions that leave doubts about their feasibility. Even though pipelines (2013) and gas pipelines (2017) connecting Yunnan to the Bay of Bengal, where the coasts contain trillions of cubic meters of gas, imports via this road have been modest. With a capacity to transport nearly 20% of total gas imports (12 trillion cubic meters), barely 1% uses this route (Li & Song, 2018). In addition, CMEC cuts three to seven days of transport for exports to Europe, Africa, or South Asia, but a certain tonnage is required to make the port of Kyaupkyu, far from Yangon, a profitable adventure.

Nevertheless, the transport of hydrocarbons for the southwestern regions of China improves by these infrastructures and thus gives China another way to avoid transoceanic bottlenecks (Malacca) under foreign influence. This increased Chinese presence in Myanmar pushes India to invest in its eastern border by multiplying projects but with much more modest means.

South Asia Sinicized by a Pearl Necklace

In South Asia, the weight of India (three-quarters of the population, GDP, and territory) pushes small countries such as Nepal, Sri Lanka, Bangladesh, and the Maldives to welcome the Chinese presence to counterbalance India. The various ports of these countries allow China to spread its pearl necklace by limiting India's ability to control the Indian Ocean. Beijing assures that the multiplication of ports financed and controlled by Chinese interests is limited to trade questioning this so-called pearl necklace strategy imagined by the West and India. She stresses that better connectivity will promote the development of Asia in general and not just its own. These strategic investments in India's traditional zone of influence irritate Delhi, which amplifies its nationalist discourse and non-cooperation with the BRI.

The rise of Sino-Indian nationalism confirms the intransigence of territorial demands on the common border, which hinders any cooperative undertakings for transnational infrastructures. On the Chinese side, Xi Jinping reaffirms the rejuvenation of the nation through respect for territorial integrity (at sea and on land) (Swaine, 2015). Xi's Document 9 on the governance of China clearly states that the Chinese Communist Party and the army will defend the sacralized land. On the other hand, the election of a majority ultranationalist government in 2014 and 2019—a first in 30 years—pushes Narendra Modi to harden the tone toward China (Pandit, 2018). By changing the status and the administrative delimitation of Kashmir, Modi governs the border region more directly while satisfying his electoral base. This low-intensity border confrontation will remain for several years as Sino-Indian relations have stopped warming and have engaged in a more assertive rivalry.

Nepal regards the BRI as salutary because it will allow the opening of the country to the North thus limiting India's ability to impose an economic blockade. Twice, in 1989 and more recently in 2015, Indian economic blockades have greatly weakened the Nepalese economy and the possibility of engaging China to counterbalance India comes at a political and especially economic cost. Although the study of the Nepal-China Trans-Himalayan Multidimensional Connectivity Network, funded at the second BRI Forum, is long overdue, it is estimated that connecting Lhasa to the Chinese border would cost 2.75 billion and reaching Kathmandu would cost another 2.75 billion. In addition, an extra 2.8 billion would be needed to extend this line to Pokhara (Budhathoki, 2019).

With a GDP of about US$30 billion, the debt resulting from this bold project, 98% of which will consist of tunnels and bridges in a seismic region, underestimates the maintenance costs for a country that has no railway engineer and barely 30 kilometers of railways today. With very marginal exports and a growing deficit of US$1 billion, it is difficult to see how rail will succeed in turning the tide. Xi Jinping's visit to Nepal in October 2019, the first presidential visit in 25 years, confirmed China's desire to expand the BRI to Nepal by funding the feasibility study and encouraging Nepal to become an important link in Sino-Indian trade. Established since 2016, the talks within the China-Nepal India Economic Corridor Forum have yielded few results in terms of transnational trade. As Lord Curzon pointed out at the end of the nineteenth century, Sino-Indian trade by this route could be limited to a few rowboats; would building a rail across the Himalayas be profitable?

One of the most worrying aspects for Delhi remains the Chinese presence in the Indian Ocean. At any time, China may intervene in the event of a blockade decreed by India. These port and military facilities will allow China to implement a radar system that will be able to warn of any movement of the Indian Navy. The "pearl necklace" is a guarantee against any Indian attempt to cut off the supply of hydrocarbons or minerals to China. Similarly, the Chinese presence in the Indian Ocean weakens India's maritime defense.

In Sri Lanka, the port of Hambantota has caused a lot of concern as an example of "debt-trap" diplomacy (Moramudali, 2020). Started in 2011, the financing of US$1.2 billion for the port modernization project was made possible thanks to a loan granted by China's Exim Bank with an interest rate of 6.5%, a higher rate compared to those normally provided by the World Bank or the IMF. The Sri Lankan government's inability to pay its debt prompted it in July 2017 to cede the management of the port to China. This worries Delhi because Sri Lanka has, in the past, allowed Chinese submarines to dock in their ports. As in Pakistan, the ports under Beijing's control have certainly favored Chinese exports, but neither Pakistan, Myanmar, nor Sri Lanka has seen their trade balance with China improve. Pakistan's trade deficit increased from US$4 billion to US$11 billion between 2013 and 2019, Myanmar's has quadrupled over the past decade to more than US$4 billion in 2017, and Sri Lanka's trade deficit has tripled from US$1.18 billion to US$3.4 billion from 2010 to 2017.

This situation is similar for Bangladesh since its trade deficit with China doubled between 2012 and 2017 from US$7.4 billion to US$14.3 billion. Following Xi Jinping's visit in October 2016, China reached a multitude of deals for Bangladesh's ports and infrastructure worth US$21 billion. The construction of port infrastructure transporting hydrocarbons to the Chittagong refineries was granted to the Chinese in October 2017, confirming China's grip on the maritime transport of goods imported and exported by India's neighbors. After being refused funding by the World Bank to build the Padma Bridge and connect the southwest of the country by rail, China offered a loan of US$3.1 billion to carry out the project. However, Bangladesh refused China's help to build a 180-km highway linking the capital to the northeast of the country, saying the US$2 billion bill was inflated and the economic fallout did not deserve such an investment. Playing it safe, Bangladesh is the least indebted country in South Asia to China, which controls only 6% of Bangladesh's external debt. It is very different for the Maldives.

This small archipelago of barely 400,000 inhabitants has seen its external debt swell exponentially because of major works financed and executed by China. With the announcement of the BRI, the Maldivian government promoted relations with China. Xi Jinping was the first Chinese president to visit the Maldives (2014) to prepare a free trade agreement signed in 2017 to the astonishment of Indians. Loans of more than $1.3 billion were granted for the expansion of Hulhumale Island connected by a bridge linking the capital to the airport. China owns 70% of the archipelago's external debt and 20% of the annual budget is devoted to repaying loans (Ramachandran, 2018). What's more, the archipelago allows Chinese ships to dock in the same year while offering foreigners the opportunity to invest in developing other islands. It is expected that the lifting of tariffs on Chinese goods will cause losses of $4 billion per year offset by a value-added tax and tourism spinoffs produced by Chinese visitors who have replaced Europeans as the first clientele. Therefore, the actual government is reconsidering the agreement and plans to shelve it.

Indian Responses

The launch of the BRI pushes India to become more active diplomatically by proposing alternative routes to those promoted by China. To thwart the BRI, India is relying on a common fear of China and multilateralism. India stands as a future power capable of offering smaller Asian countries an alternative to greater satellization by China.

However, the lack of connectivity with Central Asia forces India to use Pakistani or Irani transit for trade. By joining the multimodal transport Ashgabat Agreement linking Central Asia, India gain's greater access to Central Asia and therefore the opening in 2017 of the Iranian port of Chabahar, financed in part by India, allows bypassing the Sino-Pakistani corridor of the BRI. This new route, without the help of Chinese capital, not only serves to secure India's place as a trading partner with the region but also undermines Pakistan's ability to raise the stakes for any transit of goods through its territory. Sino-Indian proxy competition from ports (Gwadar and Chabahar) is not limited to trade but also security because during the COVID-19 pandemic, Afghanistan, dissatisfied with the blockades and exorbitant prices demanded by Pakistan, was able to rely on this new route. India can therefore offer alternative routes that limit satellization to China and its allies. By launching the first Central Asia-India Summit in 2022 which "stressed the importance of extensive vaccination, vaccine supply, transfer of technology, development of local production capacities, promotion of supply chains for medical products, and ensuring price transparency" India promises greater investments in Iran and Afghanistan (Ministry of External affairs, 2022).

To thwart China's BRI, India also invited Russia to plan an intermodal route with the International North-South Transport Corridor (INSTC) project linking Mumbai to St. Petersburg via Tehran and Baku. Originally conceived in 2000, this project has increased trade between India, the Caucasus, and Russia. In 2019, at the insistence of India and Iran, the countries concerned by the INSTC announced the doubling of rails to increase traffic. It is planned that the INSTC will eventually link the Ashgabat Agreement. Nevertheless, China has signed a 40-year agreement with Iran on oil sales and a 30-year gas agreement with Russia that accentuates the dichotomy of a new Cold War bringing together liberal democracies (India-United States and allies) versus a new block combining the China-Iran-Russia triumvirate (Duggal, 2021).

Since the announcement of a potential link between China and Nepal by rail, India has responded by finalizing the study of the Bihar-Kathmandu section in addition to offering five other rail routes that would further integrate Nepal into the Indian network (Bhattarai et al., 2020). A first pipeline linking Motihari-Amalekhgunj was inaugurated in September 2019 and the completion of the pipelines in January 2022 allows the Nepal Oil Corporation to import 100 million liters of diesel per month, thus limiting the cost of transportation and its ecological footprint.

India has multiplied regional organizations including countries in South and Southeast Asia to isolate Pakistan or to counterbalance China. Since its creation in 1995, the Mekong River Commission (MRC) aimed to promote cross-border institutional trust and coordinate the activities of the riparian countries (Thailand, Laos, Cambodia, Vietnam) to design an equitable sharing of the river. Given a shared pool, China and Myanmar were included as observer members the following year. In 2000, India initiated Mekong-Ganga-Cooperation (MGC) with countries bordering the Mekong River with the aim of increasing its connectivity with Southeast Asia to offer a parallel institution to the Chinese presence within the MRC.

Mobilizing Southeast Asian countries against China's water abuses also assures India of allies in its potential water conflict with its neighbor. Often accused of abusing its upstream geographical advantage as a "water hegemon", China would use rivers to meet its domestic needs (dams and water diversion) and export negative externalities to the weaker downstream riparian states (Zawahri & Hensengerth, 2012). India and downstream states are concerned about China's manipulation of the waters upstream of the Indus, Brahmaputra, and Mekong rivers. Limiting the negative consequences of China's excess in this region therefore becomes crucial for these states. The MGC focuses mainly on the promotion of transport, tourism, education, and culture but it is only recently that it addresses water management as stipulated in the Main Action Plan (2019–2022) (Ministry of External affairs, 2019).

For its part, China initiated the Lancang-Mekong Cooperation (LMC) in 2016 with the same countries to reassure them of the fair use of the river since it has not yet developed a water agreement covering the rivers that flow from the Himalayas (Vinogradov & Wouters, 2020). In dire need of water, China must also preserve the Mekong River that feeds its dams (Turner et al., 2013) in addition to promoting energy transport (Middleton & Allouche, 2016) and infrastructure in the region to coordinate its New Silk Roads initiative (Busbarat, 2018). This increased presence of China, especially in South Asia, upsets India, which is responding with other initiatives. After the failures of the South Asian Association for Regional Cooperation (SAARC), the South Asia Subregional Economic Cooperation (SASEC), and the Indian Ocean Rim Association (IORA) to establish greater connectivity (Jayaram, 2021), it concluded the Motor Vehicles Agreement (2015) within the new Bhutan, Bangladesh, India, Nepal (BBIN) grouping.

In addition, the India-Myanmar-Thailand Trilateral Highway project, still in the planning stage, will allow the virtually landlocked Northeast of India to access new routes to Southeast Asia. India's routes to Southeast Asia are paramount, as they will facilitate India's exports to this region. The centrality of Southeast Asia is not only commercial because it procures value chains integrated into any industrial production in India. Finally, the Kaladan Highway project in Myanmar, always delayed due to the difficult security climate, aims to limit Burma's dependence on the infrastructure of the BRI. Its delay pushed the Burmese authorities to grant the Chinese the exploitation and transport by pipelines the trillions of cubic meters of natural gas off the coast of Rakhine State to Yunnan. A region severely affected in recent years by communal conflicts and violence, thousands of Rohingya have fled this area and separatist movements in northeastern India are tempering Delhi's activism in the region. Aside from Laos and Brunei, all ASEAN countries have China as their main trading partner, in South Asia, India remains the first partner with only three countries (Nepal, Bhutan, Sri Lanka) while Pakistan and now Bangladesh are turning to China and the BRI.

To compete with China's Maritime Silk Road, India and Japan launched the *Asia Africa Growth Corridor* (AAGC) in November 2016. This project aims to connect Japan, Oceania, Southeast Asia, India, and Africa, an increasingly Sino-centric continent. Having increased investment in Africa fivefold since 2000, Japan has offered US$30 billion for the project while India has pledged US$10 billion to African countries. Claiming that the loans will be transparent and have very low-interest rates, Japan and India are tackling the debt-trap that characterizes Chinese aid. In addition to India's multilateral organizations that exclude Pakistan from South Asian development and China from regional groupings and considering border conflicts (Doklam, 2017 and Galwan, 2020), India was the first to show interest in reactivating the Quadrilateral Security Dialogue (QUAD) in 2017 at the 30th ASEAN summit. The insistence on free trade on the Indo-Pacific seas, including the South China Sea, strengthens India's position with the support of the United States, Japan, and Australia. It is notable that the first summit of the Biden administration was with the QUAD, which contributes to a return to bipolarity pushing allies to make a choice. India is not immune.

Conclusion

The boycott of India at the BRI Forums is symptomatic of a growing distrust of China. Since the announcement of the BRI, India has clearly opposed some Chinese projects, particularly in Kashmir. On the other hand, it is questionable how much longer this mistrust of the BRI will last because China has become one of the largest foreign investors in Asia. The relocation of Chinese companies to India, especially in soft and low-tech sectors, is well underway and can be explained by the rising cost of Chinese labor, its workforce declining atrophy (China will lose 200 million workers by 2050), and China's desire to develop a knowledge-based economy. The BRI responds to these challenges of China, which will continue to produce but distribute more.

Beyond this mistrust, India does not have the Chinese capacity to build a BRI. It can still offer alternative non-Sinicized routes, but its industrial weakness undermines any substantial economic flow to compete with China. After 30 rounds of negotiations by the Regional Comprehensive Economic Partnership (RCEP), India decided in November 2019 not to join the Chinese-led agreement. India's industrial sector, unable to compete with China, demanded the maintenance of protective policies contrary to the spirit of free trade. With a Sino-centric BRI, India will find it more difficult to integrate into China-dominated Asian value chains. That is why the activism of Indian multilateralism aims to counter this danger.

However, no one who governs China or India can ignore demographics. China has succeeded in its demographic transition since it has managed to offer work to a billion people despite its environmental destruction. By the end of the decade, India will surpass China to reach $1.7 billion by 2065, equivalent to the Chinese and American populations combined. Just as China continues its construction of the BRI, India will have to weave a global network to import commodities and export its products. It remains to be seen whether it will be done with or without the BRI.

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CHAPTER 11

Cyber-Nationalism in China: Popular Discourse on China's Belt Road

Dechun Zhang and Xiaojuan Qiu

Introduction

China's Belt and Road Initiative (BRI) has been the focus of much debate among academia for eight years since 2013. There are mixed opinions about the BRI for political and economic purposes. Some believe that BRI has a significant impact on geopolitics, such as a shift in Chinese foreign policy towards globalism. According to those who support it, the BRI is the most important economic policy for China in the twenty-first century and at the same time represents a new idea of globalization, based on cooperation instead of a sharp competition (Chandan & Christiansen, 2019). Arase (2015) suggests that with the help of the BRI, China and

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some small states involved in its construction will be able to change international rules, international institutions, and international order. China-led BRI is essentially a plan designed to promote a new type of globalization that is distinct in numerous ways from the current dominant world system in terms of its theoretical and practical vision of global economic and political governance (Yilmaz & Li, 2020). With societies worldwide reel from the global shock of the COVID-19 pandemic, China is reshaping international geopolitics in line with a unique vision of globalization by BRI, a network for infrastructure development and economic cooperation that spans 65 countries to date, promises to usher in a new era of international commerce, cooperation, and prosperity (Li & Wei, 2021).

However, there are also more different views towards the BRI. For instance, those scholars who support the motivational locus for the BRI remain entirely focused on domestic economic development and regional stability (Jiang, 2020). It is believed that Chinese BRI projects are designed by the Chinese government to express a sense of nationalism (Jiang, 2020). After the independence from Japan and the humiliation of Western powers, China is demonstrating a strong desire to achieve its national rejuvenation led by CCP. China wants to be seen as a responsible international actor on the world stage, rather than a hegemonic leader because maintaining internal stability remains the first (Yang & Chen, 2020). The BRI itself is a brainchild of Xi, closely related to his nationalist idea of the Chinese dream which aims to revive old Chinese glory and pride (Pokharna, 2021). On one hand, China's proactive foreign policy has been influenced by the increasing sense of national pride that has accompanied the emergence of China as a global power and the world's second-largest economy (Yu, 2017). With the global pandemic of COVID-19, all countries in the world are facing challenges to control the pandemic, and China with a small number of cases has made the Chinese more satisfied with the government and prouder of the country's governance capabilities. On the other hand, Chinese President Xi Jinping's vision is to realize the great rejuvenation of the Chinese nation before the 100 anniversaries of the Communist Revolution of China in 2049 (Wang, 2015). To clarify the concept of the Chinese dream, the chairperson of Xi Jinping in one of his interviews with the Wall Street Journal in 2015 said that the Chinese dream is fundamentally about making life better for the Chinese people (The Wall Street Journal, 2015). From the willingness of the top leaders, BRI, the Chinese dream, and the people's happy life are closely linked. BRI is the means to realize the Chinese dream which aims to enable the

Chinese people to live a happy life. Chinese leaders have skilfully linked the country's foreign policy with the popular, invisibly guiding the popular nationalism. Therefore, in other words, from the very beginning, the BRI reflects the purpose of nationalism and is designed for China's own development and people's happiness. The Chinese government's propaganda for the BRI has a major impact on popular nationalism.

The Chinese government is infamous for expressing nationalism to stabilize its control (Zhao, 2004). However, increasingly more studies suggest that Chinese popular nationalism is becoming more popular on the internet (Yang & Zheng, 2012; Zhang, 2020a). Although Chinese popular nationalism is well documented (Fang & Repnikova, 2018; Yang & Zheng, 2012; Zhang, 2020b), much more cases focus on the conflicts with other countries such as the United States and Japan, and relatively few studies used the BRI as a case to explore Chinese popular nationalism. The BRI was the Chinese government's promoted project that contained both international and domestic issues which could help us to have a better understanding of Chinese popular nationalism. Hence, this study aims to through online observation to unpack Chinese popular nationalism. Through online observation on Weibo, this study argues that BRI indeed simultaneously mobilized Chinese popular nationalism. This chapter finds that Chinese popular nationalist discourse demonstrates a sense of hostile attitude towards foreign countries, a willingness to deliver the geopolitical win with self-interest, globalism, pride, and confidence on Chinese BRI projects. Based on existing literature and the authors' own research, the authors suggest that the BRI triggers a sense of nationalism within the globalist domain.

Global Background and Implementation of the BRI

From September to October 2013, when Xi Jinping officially visited Kazakhstan and ASEAN, respectively, he announced jointly building the Silk Road Economic Belt and the twenty-first-century Maritime Silk Road, which were later collectively referred to as the Belt and Road Initiative (Xinhuanet, 2018). According to the State of Council of the People's Republic of China (2014), President Xi Jinping pointed out that BRI is to help countries to carry out national and regional transportation, power, communications, and other infrastructure planning, jointly advance preliminary research, which accommodates bilateral and multilateral interests. Although Chinese officials clearly stated that the BRI is not China's geopolitical tool (Chen, 2018), BRI having such a broad geographic and economic scope cannot avoid crossing over the mere province of economics, to stray into the domains of geopolitics and geo-economics, providing China with opportunities for economic growth, but also more political and economic leverage both regionally and globally (Cau, 2018). India and the United Kingdom worry that China is challenging the existing global order and are trying to establish a new order led by it (Liu, 2018). India has tried to convince countries that the BRI is a plan to dominate Asia, warning of what some analysts have called a "String of Pearls" geo-economic strategy whereby China creates unsustainable debt burdens for its Indian Ocean neighbours to seize control of regional choke points. India was the only country in the eight-nation Shanghai Cooperation Organisation which refused to endorse BRI (The Hindu, 2018). Overall, it is widely accepted that China designed the BRI to achieve important national economic and geopolitical objectives (Donato, 2020).

Nationalism and Cyber-Nationalism in China

Anderson (2006) defines a nation as an "imagined community", in which most community members do not know each other, but community members believe they "live the image of communion" (Anderson, 2006, p. 6). In other words, although community members have differences, they still believe they belong to a community as they share common history, traits, beliefs, and language. Therefore, nationalism could be understood as a sense of belonging to an imagined community (Anderson, 2006). In this sense, nationalism is a salient tool for the government to stabilize its rule, and China is no exception (Zhao, 2004).

The Chinese government is infamous for spreading nationalism to stabilize its control (Jiang, 2014; Schneider, 2018; Zhang, 2020a; Zhao, 2004; Zheng, 1999). Zhao (2004) suggests that the Chinese government put much effort into expressing patriotic ideology to the public through the education system and media campaigns. For instance, the CCP designed a standardized curriculum to construct a unified, patriotic, Party-loving national culture (Kipnis, 2012). Chinese patriotic education, on one hand, highlights the glorious history of China with 5000 years history and used to be the "leader" of the world in military, economic, and technology (Wang, 2008); on the other hand, it also highlights the humiliating history of China since 1842 when British troops won the First Opium War (Zhao, 2004). The narratives of "chosen glory" and "chosen trauma" which were designed by the CCP reshaped the Chinese collective memory and whitewashed modern Chinese history (Friedman, 2008). Li (2019) suggests that the state-led education designed by the CCP plays a vital role in nationalism which fosters a sense of "us" versus "them" and finally leads to Chinese nationalism roots in its humiliating history (Zhang, 2020a; Zhao, 2004).

Moreover, Anderson (2006) highlights the role of information technology in nationalism. Chinese media is highly controlled and surveillance by the Chinese government (Li, 2019). Furthermore, Zhang (2021) even suggests that the official media are government agencies, so it is not surprising to see Chinese media always alien to the Chinese government's ideology. For instance, Chinese media often highlights the CCP's economic achievements (Seckington, 2005). Previous studies already confirm that media use positively connects with nationalism in China (Hyun et al., 2014). With the arrival of the digital age, the news media have adopted digitalization, which has currently failed to transform their official, exclusive, and professional nature. Schneider (2018) in his famous monograph claims that the Chinese government is attempting to put nationalism with its interests in digital media through the interaction between technology and politics. More specifically, the Chinese government cooperates with search engines to offer national biased information (positive to China and sources mostly from China) to spread nationalism (Jiang, 2014; Zhang, 2020b). Hence, social media, which is designed by the CCP in China, is ready to follow traditional media logic to facilitate the Chinese government's interests.

Although popular nationalism is undoubtedly influenced by the Chinese government's propaganda about the BRI, it does not mean the Chinese public only passively receives CCP's propaganda. According to Zhang et al. (2018), the nationalism expressed on Weibo is multifaceted and contains both pro-regime and criticism of domestic political conditions. Chinese nationalism expression has been long understood as a top-down or bottom-up structure (Fang & Repnikova, 2018). In other words, Chinese nationalism also shows a grassroots feature. Zhang (2020a) finds that Chinese netizens express their pride in China and call for national unity on Weibo spontaneously. However, increasingly more studies find that Chinese popular nationalism became increasingly aggressive (Fang & Repnikova, 2018; Yang & Zheng, 2012; Zhang et al., 2018). Yang and Zheng (2012) find that nationalist expressions from angry Chinese youth (fenqing) are even unsatisfied with the Chinese government's policies. For instance, Weiss (2019) finds that the Chinese nationalist discourse is dissatisfied with the Chinese government's adoption of a pro-West orientation. Hence, online social media offer a fierce battleground to express their aggressive nationalist sentiment towards the West. Therefore, Gries (2004) suggests that popular nationalism in China is a movement to save collective self-esteem. From this perspective, Zheng (1999) argues that Chinese nationalism is only designed to react to domestic political situations rather than to invade outside of China. He further argues that although Chinese nationalism contains features of antiforeignism, its main purpose is to strengthen CCP's political legitimacy and show the attempt of recognition of Chinese power in the world system rather than to challenge the existing world order (Zheng, 1999).

Methodology

The authors conduct an online observation on popular nationalism discourse on "One Belt One Road" on Weibo since 2020 and especially focus on the case of the Budapest-Belgrade Railway Saga and the CPEC. China's economic and political profile has expanded unusually quickly in the regions of Central, and Eastern Europe and South Asia (Brattberg & Feigenbaum, 2021). The Budapest-Belgrade Railway Saga is the first railway jointly built by China in Europe which is of great significance (China Government Net, 2015). In November 2013, at the Bucharest summit of the 16+1 initiative, China, Hungary, and Serbia spoke of the construction of a high-speed railway that would connect Belgrade to Budapest (Brînză, 2020). The route is not only a bridgehead of the belt and the road in Europe, but its destination, the port of Piraeus in Greece, aims to strengthen Sino-European trade. Moreover, the CPEC is a corridor linking the Gwadar Port with Kashgar in Northwest China's Xinjiang Uygur Autonomous Region, which highlights infrastructure, energy, and industrial cooperation (Global Times, 2021). Also, CPEC provides access to the Indian Ocean through the Gwadar Port in Pakistan to the western provinces of China and provides access to the Bay of Bengal through the Bangladesh China-India-Myanmar Corridor (Hali et al., 2014). Hence, both are flagship projects of BRI which are of great importance to examine the dynamic contours of popular nationalism by exploring BRI cross-nationally and comparatively.

In addition, there are numerous social media platforms in China, such as Sina Weibo, Tencent Weibo, and WeChat. Therefore, it is impossible to include all the social media platforms in China in this research. After much thought, this study regards Sina Weibo as the salient platform to conduct online observation as it is one of the most popular social media platforms where hot social issues are publicly discussed in China. According to Wang (2018), Sina Weibo has approximately 600 million registered users with around 132 million daily active users in 2017. In other words, it could offer systematic data on BRI. Sina Weibo is well known as the Chinese version of Twitter (Ren, 2018), while Twitter could provide a range of information (including usernames, text, visual content, followers, number of followers, and hyperlinks). Hence, the authors believe that Weibo could be like Twitter in that it offers a large amount of information. Lastly, Sina Weibo has no boundaries for people to post and engage. Hence, Zhang et al. (2018, p. 4) suggested, "Weibo forms a space where diverse ideologies can coexist and compete." During the online observation, the authors focus on the themes of their online nationalist discourse.

"Greatness" China and "Evil" Western

This study finds that the same pattern that discourse on Chinese BRI is full of nationalism. The study concludes four themes regarding the nationalist discourse on BRI: geopolitical rivalry, self-interest globalism, economic (hard power) pride, and satisfaction with government. The authors will demonstrate the findings and discuss them below. Firstly, the study finds that the popular nationalist discourse on Chinese discourse shows a strong hostile attitude towards foreign countries, such as India and the United States. It also aligns with earlier studies that Western counties are the major targets of Chinese nationalism (Zhang et al., 2018). More specially, this study finds that nationalists share an idea that foreign countries show a negative attitude towards the Chinese government, BRI, and the Chinese in general. For instance, one popular Weibo post claims that "the U.S and India did it again to prevent the construction of the China-Pakistan Economic Corridor, they are so afraid of China's growth". In other words, the public believes that foreign countries always bully China, and China is always a "victim" in world politics. So, we could argue that Chinese popular nationalism is indeed influenced by CCP-designed media outlets and education materials that are rooted in its "humiliating" history. Hence, it is not surprising that Chinese nationalism discourse is always about the "evil" West. However, India as a South-eastern Asian country is also a "Western" country in the public discourse. In other words, there is no clear definition of the "Western" countries in the narrative of the nationalists, if you are opposites to China, then they are the "evil" West. It delivers a political message that "Western" is an abstract term for the Chinese public to imagine a common enemy to call for unity. Overall, the authors argue that Chinese popular nationalism shows binary thinking that any country which is opposite to China marks the "evil" West and vice versa.

Moreover, this study also finds a pattern of self-interest globalism in Chinese nationalism. Self-interest globalism in this chapter refers to "admitting the Western-dominate world orders to call for nationalism to serve its national interests" (Zhang & Gomez, in press). For instance, Chinese nationalism discourse blames the United States for using its hard power to increase its geopolitical power within other "small" countries. However, when it is about China's China-Pakistan Economic Corridor project, the Chinese netizens celebrate online that will increase its geopolitical power in Pakistan and relevant countries. Moreover, although an earlier study highlights the relationship between pro-regime and nationalism (Hyun et al., 2014), Chinese online nationalist discourses hold both pro-regime and negative attitudes towards government policies (Zhang et al., 2018). The study finds that some netizens are unhappy with China's China-Pakistan Economic Corridor project designed by CCP, but their unhappiness is in a nationalism way. One popular post noted that "why do we make a deal with Pakistan as a powerless country in the world? It is meaningless for China to become the hegemony in the world to cooperate with such powerless countries. We China must stick together to become the most powerful countries against the West." Hence, the authors argue that Chinese nationalism, on one hand, admits the uneven development of China; on the other hand, they use this admit to express their aggressive nationalism.

In addition, Zhang and Bux Jamali (2022) also find geopolitics win also plays a positive relationship with Chinese popular nationalism. The study finds the same pattern that the nationalists celebrate online that BRI offers China a way to deliver a geopolitical win. For instance, Chinese nationalist discourses highlight the role of technology development in China. In the narrative on Budapest-Belgrade Railway Saga, Chinese nationalist discourse celebrates Chinese technology could go outside of China, and European countries now even need China's technology to develop their train system. Hughes (2006) argues that techno-nationalism offers evidence to prove China's ability to survive in the world. From this perspective, Chinese popular nationalism is a movement to save or keep face and defend "ingroup positivity", or collective self-esteem (Gries, 2004). Although most of the nationalists highlight the geopolitical win of China, their pride much more comes from the comparison to the past—"Century of Humiliation"—that China suffered a series of military confrontations with the West and Japan (Modongal, 2016). Their nationalist discourse on geopolitical win reflects China appearing from a "century of humiliation" has already become a significant power in the world that will no longer be subject to the "bullying" of the West. Hence, the authors further argue that Chinese nationalism is a reaction to domestic problems rather than an attempt to invade the outside world. However, it is also interesting to see that geopolitics win in China's nationalist discourse does not only mean hard power but also means being recognized and making friends with other countries. However, the Chinese nationalists prove their willingness to cooperate with the world, but world needs to admit the leading role of China. It also reflects that Chinese nationalism proves a sense of self-interest globalism. Moreover, nationalist discourse on global collaboration focuses on "Chinese Confucian Thought of Cooperation and Win-win", so China could be a real leader of the world and make a real friend compared to the United States. Therefore, this study also supports Levenson's (1964) argument that Chinese Culturalism began to transfer to nationalism, or a culture protected by the state (politicization of culture) to seek legitimation in China, while Culturalism, in this case, refers to a genuine belief in cultural superiority, without seeking any legitimacy or defence outside of the culture itself (Duara, 1993). Nationalists claim that the BRI project is designed by the Chinese government that aims to make a real friend that helps the whole world rather than like the United States to exploit the weak countries. Hence, the political ideology behind the BRI reflects the goodness of the Chinese cultural ideology. So, Chinese nationalism also proves a sense of confidence in cultural ideology superiority (Duara, 1993).

Lastly, earlier studies all confirm that the public's satisfaction with the domestic political situation has a positive relationship with nationalism (Hyun et al., 2014; Zhang, 2020a). The case of BRI is no exception. Most of the Chinese nationalist discourse highlight the BRI's projects will benefit the ordinary citizens (Laobaixing, 老百姓). Therefore, the nationalist discourse shows strong support to the BRI projects, and reveals their dedication to the BRI, or even offers reasonable suggestions to the BRI projects. Therefore, the authors argue that the primary purpose of Chinese economic nationalism is not to conquer the outside of China but to satisfy the domestic citizens. However, this sort of nationalism blurs the boundary of the state, government, and political party. The nationalist discourse on BRI usually classifies state, government, and political parties as the same, while China does have a clear distinction for those three terms. Hence, the authors argue that Chinese popular nationalism seeks a sort of paternalistic government that needs a government to satisfy them. However, if the government was unsatisfied with citizens' needs, their nationalist discourse became angry and well distinguish state, government, and political party. This is the reason yang and Zheng (2012) find many angry nationalist discourses online. This finding also partially aligns with Kloet et al. (2020) biopolitical nationalism that if the government took care of citizens during the COVID-19 period, the Chinese do not care how they do and are still proud of living in the most efficient country to control COVID-19 in the world.

Conclusion

This study through observing Weibo discourse to explore the popular nationalism on BRI in China. We found the BRI project has a significant impact on triggering a sense of nationalism. Chinese popular nationalists show a hostile attitude towards foreign countries and obsess with the international recognition of China when talking about the BRI. Hence, Chinese nationalism is rooted in its humiliating history (Zhao, 2004) to seek its face or self-esteem in the world (Gries, 2004). It is one of the reasons why Chinese popular nationalism shows a sense of self-interest globalism. The nationalists demonstrate a kind of controversial psychology. On one hand, popular nationalists criticize the uneven development of the world order caused by the "Western" countries. On the other hand, the nationalists use this sort of uneven development of the world order to save its "face" to express nationalism. However, it is unfair to say popular nationalism is a puppet of state-led nationalism. This study argues that popular nationalism is influenced by the Chinese government's influence but goes beyond state-led nationalism. The Chinese popular nationalists, on one hand, rational analysis of the benefits of the BRI; on the other hand, some nationalists are angry with some of the BRI projects because they believe that those projects are not beneficial for the development of China. Hence, the Chinese popular nationalism is not a mindless follower, but a "rational" analysis of the current situation in China. In other words, Chinese popular nationalism changes from time to time-based on different perspectives and events.

Moreover, the study also suggests social media offers nationalists a public sphere to exchange their opinion, and the public engages in communicative action on political discourse online. Hence, social media is a salient platform to explore public opinions and understanding. Social media has provided the necessary channels for different interests and opinions to be expressed, heard, and counterposed—elements that constitute the very essence of political communication (Papakyriakopoulos et al., 2020). Nationalists took advantage of emerging mass media to disseminate nationalist ideas (Snyder, 2000). The use of social media can influence political views and other ways to engage, such as exposing users to certain views or determining their understanding of current events (Merkley, 2020). With the characteristics of instantaneity, interactivity, openness, and equality, Weibo has become a cornerstone of the public profiles as they use it to transmit their activities and participate in discussions on political issues (Li, 2012). The nationalists participate in the deliberation and administration of political issues at home and abroad and express their opinion on BRI and its projects and relations with foreign countries through the tool of Weibo. The public shows the nationalism of China's geopolitical rivalry, self-interest in globalism, pride, and satisfaction with the government on the discourse of CPEC or the Hungary-Serbia Railway.

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CHAPTER 12

The Integration of Cities as the Nodes of Chinese Cultural Belt Road Worlds: The Case of Jingdezhen City

Niedja de Andrade e Silva Forte dos Santos

Introduction

Cities are "powerhouse of nations" (Anholt, 2006, p. 18). Some are wealthier and more populous than nations. For instance, the GDP of Shanghai is about US$982 billion while the GDP of the Netherlands is roughly US$900 billion, and Turkey's, US$720 billion (UN Habitat, 2020, p. 93; World Bank, 2020). Likewise, Beijing is home to 37.4 million people, while Canada's population is about 38 million and Saudi Arabia's is 34.8 (UN Habitat, 2020, p. 93; World Bank, 2018). Notably, cities concretely address global issues like the COVID-19 pandemic or the sea level rising. As well, cities are protagonists in the Belt and Road Initiative (*Yīdài yīlù* 一带一路) (BRI). Even cities that are not nodes of

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overland or sea BRI routes have a role in the initiative. That is the case of Jingdezhen, the Chinese empire's premier ceramics producer since the Song Dynasty (*Sòng cháo* 宋朝) in the eleventh century. The world-famous porcelain underpins the city's relevance in the BRI (Gerritsen, 2020, pp. 18–20). In this context, grounded on porcelain, Jingdezhen promotes Chinese interests worldwide through city diplomacy.

Cities have been international actors since early modern times, but related research has only intensified since the 2000s (Santos, 2021). In any case, the role of cities in the BRI from the city diplomacy perspective is still understudied. Previous research focused on the economic improvement of Chinese cities due to the BRI (Kong et al., 2021) and also on the strategic position of key global Asian logistics cities within the BRI (Lee, 2018). Framed by city diplomacy, Mierzejewski (2020) explored how Guangzhou managed the internationalization process related to the BRI. Chen and Zhao (2017) studied city diplomacy of the BRI inland cities, namely Xi'an (a BRI node city) and Yinchuan (a non-node city). Hence, this research addresses the scientific gap by shedding light on the city diplomacy of Jingdezhen, a non-node city at the BRI.

Next section exposes the BRI and how it involves cities. Subsequently, the theoretical framework is outlined by city diplomacy with Chinese characteristics. Then, the mechanisms of city diplomacy mobilized by Jingdezhen to develop Chinese strategies embodied in the BRI are presented. The paper uses the case study method and collects data from local and national Chinese governments, as well as from discourses of political authorities. The data analysis was conducted by the content analysis technique.

The Belt and Road Initiative in Chinese City Diplomacy

Just after the inauguration in 2012, Xi Jinping began to reinforce the "Chinese dream" (*Zhōngguó mèng* 中国梦) as the "great rejuvenation of the Chinese nation" (*Zhōnghuá mínzú wěidà fùxīng* 中华民族伟大复兴) (2013, para. 10). In this context, the Chinese government released the "One Belt One Road" strategy, after renamed to "Belt and Road Initiative" (BRI). The BRI shapes the Chinese dream by highlighting the motto "community with a shared future for humanity" (*Rénlèi mìngyùn gòngtóngtǐ* 人类命运共同体). The BRI is framed by the Chinese concept of Tianxia (天下), literally "all under heaven", meaning that China was divinely placed at the center of the entire geographical world with sovereignty over all space and lands (Zhao, 2018). In other words, Tianxia implies that the world is not a conquerable good because the dynamic equilibrium of yin yang (阴阳) replaces the anarchic international order (Zhao, 2018). Hence, the nation's secular fate grounds the BRI.

In concrete, the infrastructure-led strategy aims to connect Asia, Europe, and Africa by land through the "Silk Road Economic Belt" and by sea through the "21st Century Maritime Silk Road" (*21 Shìjì hǎishàng sīchóu zhī lù* 21世纪海上丝绸之路) (Chen, 2018). It also involves space and arctic plans. The "Belt and Road Space Information Corridor" (*Yīdài yīlù kōngjiān xìnxī zǒuláng* 一带一路空间信息走廊) aims to provide information services along BRI using tools like remote sensing and navigation satellites (Hui, 2019). The "Polar Silk Road" (*Běijí sīchóu zhī lù* 北极丝绸之路) intends to weave a network of trade routes through the Arctic (People's Republic of China State Council, 2018). Essentially, the main Chinese interests expressed in the BRI are regime survival, social order, and economic growth (Kelly et al., 2014).

In 2014, Xi Jinping stressed the pivotal role of cities to the Chinese dream of the country's great rejuvenation. Cities are relevant in promoting people-to-people exchanges, trade, and cooperation grounded on shared benefits (Xi, 2014). The BRI seeks to provide interconnection of cities throughout its routes. In this scenario, city diplomacy raises as a pivotal tool for the BRI.

Li Xiaolin (2016) identifies five factors in cities' activities within BRI: geography, secular fate, context, opportunity, and affinity. Geography (*dìyu*án 地缘) refers to common borders and connections. Secular fate (*súyuán* 俗缘) means historical or communication ties. Context (*yǔyuán* 语缘) relates to social aspects like language, culture, and history. Opportunity (*jīyuán* 机缘) means current technologies. Lastly, affinity (*qíngyuán* 情缘) refers to people ties, which are pivotal to strong and long-lasting relationships between cities. Xi Jinping is a case in point; after being hosted by an Iowan family in Muscatine, US, during a research visit in 1985, he stated: "*You are the first group of Americans I came into contact with. To me, you are America*" (quoted by Basu, 2016, para. 12).

In effect, BRI suggests that cities should establish cross-border economic cooperation by coordinating policies, facilities, connectivity, trade, financial integration, and people-to-people bonds (Li, 2016). Therefore, industrial parks, ports, airports, and multinational corporations are important assets of cities. In other cases, cities rely on resources like history, world heritage, cultural, and natural resources (Chu & Yang, 2018). To take the leadership, Chinese cities are expected to host international conferences, cultural and sports events, besides setting up epistemic communities and international organizations (Li, 2016). Thereupon, cities are protagonists in the BRI strategy.

Some Chinese cities are nodes of the global system and attract the headquarters of international organizations. For instance, Shanghai has hosted the New Development Bank created by BRICS states. Due to geography and ports, coastal and border cities served as China's windows to the world, being the first to engage in city diplomacy (Li, 2016). The BRI intends to create similar conditions for inner cities (Li, 2016), creating opportunities that put Chinese cities at the front line. Therefore, city diplomacy has supported China's plans to advance global influence through BRI through discourses and symbolic images.

The "city diplomacy with Chinese characteristics" (*Zhōngguó tèsè de chéngshì wàijiāo* 中国特色的城市外交) assumes cities as a complement to the national public diplomacy from a multilevel perspective. Xi Jinping was the first Chinese political leader to extol city diplomacy as a tool of Chinese foreign policy (Zhao, 2018). While he was the vice-president, Xi highlighted the role of cities in building friendship (*yì* 谊), mutual benefits (*hùlì* 互利), and results (*shíxiào* 实效) (Xi, 2008).

Chinese scholars have studied city diplomacy under titles such as local foreign policy (*dìfāng duìwài zhèngcè* 地方对外政策), constituent diplomacy (*chéngyuán wàijiāo* 成员外交), local foreign affairs (*dìfāng wàishì* 地方外事), municipal diplomacy (*shìzhèng wàijiāo* 市政外交), and city-to-city diplomacy (*chéngjì wàijiāo* 城际外交) (Zhao & Chen, 2013). A common feature among them is the alignment between cities and the national foreign policy (Jia, 2011; Li, 2016; Xiong & Wang, 2013). In accordance with the Constitution Law, the Chinese State Council must control foreign affairs guided by principles of non-interference, friendship, cooperation, and mutual benefits that guide Chinese city diplomacy.

The city diplomacy with Chinese characteristics evolved in four stages linked to the country's development: (1) reform consolidation (1970s), (2) economic development (1980–2000), (3) response to "Chinese threat" narrative (2001–2013), and (4) BRI (since 2013) (Cao & Zhao, 2013). This evolution enabled the collection of instruments that currently composes the city diplomatic toolkit.

In the 1970s, the Chinese reform (Gǎigé kāifàng 改革开放) which originated the "socialism with Chinese characteristics" (*Zhōngguó tèsèshèhuì zhǔyìsīxiǎng* 中国特色社会主义思想) placed subnational entities like provinces (*zheng* 省) and cities (*shì* 市) among the main elements of Chinese diplomacy (Fulda et al., 2009). The country sought international support to consolidate the Chinese reform by boosting bilateral relations at the local level; the twinning between Tianjin and Kobe in 1973 is a landmark (Chu & Yang, 2018). As the opening up progressed, the government and the Chinese Communist Party (*Zhōngguó Gòngchǎndǎng* 中国共产党) (CCP) set up policies to encourage internationalization of cities. For instance, the Chinese People's Association for Friendship with Foreign Countries (*Zhōngguó rénmíngduìwài yǒuhǎoxiéhuì* 中国人民对外友好协会) (CPAFFC) started to manage sister cities (Chen, 2018). At that stage, mayors, CPAFFC, CCP, and the Ministry of Foreign Affairs were the main agents and sister cities were the predominant tactic of Chinese city diplomacy (Timsit, 2020).

Between 1980 and 2000, economic interests guided Chinese city diplomacy. In this period, the national government designed policies to attract foreign investments (Li, 2016). For instance, the Shenzhen Special Economic Zone (*Shēnzhèn jīngjìtèqū* 深圳经济特区) intensified city's diplomacy toward foreign trade (Zhang, 2001; Zhu, 1994). Likewise, the construction of airports and freeways all over China connected remote cities to the nearest ports (Hu et al., 2015). Under those circumstances, megacities emerged as international urban nodes (Chu & Yang, 2018).

In cooperation with the State Council Information Office (SCIO), cities have started to develop city branding (Ma et al., 2020). Assets like industrial parks, ports, airports, multinational corporations, heritage, and landscapes got greater consideration (Pluijm & Melissen, 2007). In the meantime, more than 200 American companies established in China. Stock exchanges were founded in Shanghai and Shenzhen (Seddighi & Nian, 2004). By the same token, new foreign consulates were inaugurated in Chinese cities. For instance, the US opened new consulates in Wuhan, Shenyang, and Chengdu and the EU appointed Pierre Duchâteau as the first ambassador to Beijing in 1988.[1] Besides mayors, city officials, private corporations, stock exchanges, the Ministry of Foreign Affairs, the CPAFFC and the SCIO, cities have created dedicated offices at the local

[1] https://china.usembassy-china.org.cn/embassy-consulates/shenyang/u-s-consulate-history/

level to coordinate city diplomacy (Acuto et al., 2016). To sum up, at the end of the twentieth century, cities consolidated infrastructure and resources.

In the early twenty-first century, Chinese city diplomacy focused on advocacy. Hereupon, Chinese cities took part in international organizations and networks like ULCG, Mayors for Peace, and UNESCO Creative Cities Network (Santos, 2020; Zhao & Chen, 2013). They also hosted mega events like the 2008 Olympic Games in Beijing and the Expo 2010 in shanghai (D'Hooghe, 2014). Museums drew attention as sources of cultural soft power (Denton, 2014; Qiang, 2019; Song, 2008). During the "museumification" period (2000–2012), the number of museums increased by 90%, totaling 3800 museums in 2012 (Courty & Zhang, 2018, p. 544). Indeed, the cultural sector expanded by 20% from 2004 to 2014, providing cultural services like TV, radio, libraries, art galleries, and cultural centers. As well, cultural industries increased, especially publishing, music, film, advertising, design, fashion, and games (Courty & Zhang, 2018). Li Xiaolin, president of the CPAFFC, stated that since cities host world-known universities and architectural landmarks, they are pivotal in generating China's soft power (Li, 2016, p. 13). Therefore, in this phase, the main protagonists of city diplomacy were mayors, city officials, local foreign affairs offices, managers of museums and cultural centers, and cultural producers with the support of the Ministry of Foreign Affairs and the CPAFFC.

Since 2014 city diplomacy has been guided by the BRI. The Chinese strategy assigns relevant roles to cities, especially related to economic cooperation, people-to-people exchanges, and cultural diplomacy (Li, 2016). In this vein, each city should rely on its own peculiarities and strengths like secular fate, geography, and affinities around the world (Li, 2016). Cities are expected to deliver the best of China to the world. Therefore, city diplomacy has indeed supported China's economic and political interests.

Jingdezhen, a Transnational Instrument for the Implementation of the Silk and Belt Road Initiative

Jingdezhen (*Jǐngdézhèn* 景德镇) is an inner city in the Jiangxi province in south-eastern China, located about 870 miles from Beijing. It has about 1.7 million inhabitants (Statistic Bureau of Jiangxi, 2020), of which 150,000 work for the 6700 porcelain industry (Huaxia, 2019). In 2019, the GDP was about US$14.1 billion (Xiong & Liu, 2020). The city, previously called Xinping (*Xīnpíng* 新平) and Changnan (*Chāngnán* 昌南), became the Chinese empire's premier porcelain producer in 1004, under the Jingde (*Jǐngdé* 景德) era during the Northern Song Dynasty (*Běisòng* 北宋). At that point, the phrase 景德年製—*Jingde nian zhi* (made in the Jingde reign)—was written in ceramic vessels ordered from Changnan state-owned kilns by emperor Zhenzhong (*Sòng Zhēnzōng* 宋真宗). Soon, they became known as porcelain from *Jǐngdé zhèn* (Jingde town) (Gerritsen, 2020).

Natural resources of "Jingde town" namely the china-stone/porcelain-stone (*císhí* 瓷石) and the kaolin soil (*gāolǐngtǔ* 高岭土) resulted on perfect, "white, thin and glossy" porcelain (Gerritsen, 2020, p. 19). Li and Li state that "the unique natural conditions are precious resources in Jingdezhen (and) ceramic achievements made itself famous in the world" (Li & Li, 2011). Indeed, the city became the "symbol of high-quality goods" (Gerritsen, 2020, p. 20). Jingdezhen porcelain is a real "platform for telling Chinese stories and a window for transmitting Chinese voice" (Jingdezhen City, 2018, p. 5). This evidences that city diplomacy has been a relevant tool for expanding Chinese international influence.

From the late middle to early modern times, Jingdezhen's porcelain evolved as a symbol of the glorious Chinese civilization. Logistic channels of the ancient Silk Road were essential to spread the Chinese porcelain to the world. Due to its fragility, the Jingdezhen porcelain used to be distributed by the maritime silk road toward the Middle East and Java Island (Kessler, 2012; Li, 2017). Markedly, ancient international exchanges in China were a pivotal element to spread the Chinese porcelain in Europe. Namely, the Venetian Marco Polo in the thirteenth century, the Portuguese Duarte Barbosa in the sixteenth century, and the French Jesuit priest Père François d'Entrecolles in the eighteenth century were real ambassadors of Jingdezhen's porcelain to Europe (Finlay, 1998; Li, 2017). Overall, between the sixteenth and seventeenth centuries, Chinese porcelain was an assertion of power and magnificence in Europe and Russia (Finlay, 1998; Li, 2017). The "Chinoiserie" became a trend in European society, consolidating the international influence of Chinese culture (Finlay, 1998; Li, 2017). On balance, the porcelain became a symbol of the glorious Chinese culture and civilization.

World-class facilities built in the twentieth century in Jingdezhen, such as the Jingdezhen Library (*Jǐngdézhèn túshūguǎn* 景德镇图书馆),[2] the Jiangxi Provincial Museum (*Jiāngxīshěng bówùguǎn* 江西省博物馆), and the Jingdezhen Ceramic Museum (*Jǐngdézhèn táocíguǎn* 景德镇陶瓷馆), feature porcelain artifacts and can ground cultural exchanges (Kessler, 2012). Markedly, in the 1990s, Jingdezhen's porcelain starred in exhibitions at the Los Angeles County Museum of Art, the Hong Kong Museum, and the National Museum Jakarta (Kessler, 2012). In this period, large porcelain companies headquartered in Jingdezhen, like Ceramics Co. Ltd., soon became one of the top ten most competitive enterprises in China's ceramic industry and an important protagonist of city diplomacy (Yan, 2016).

Just after the release of the BRI, Jingdezhen emerged as a relevant economic and cultural protagonist (Dawei, 2017). Then, the local government improved connection and logistic channels, like highways, high-speed rail, and airports. As well, the Jiangxi Northeast Comprehensive Logistics Park (*Degàndōngběi zònghé wùliúyuánqū* 的赣东北综合物流园区) was constructed. The city accelerated online integration in cooperation with the internet national strategy (Yan, 2016).

Since 2015, Jingdezhen diplomacy has developed in full compliance with BRI, based on the porcelain vocation (Li & Li, 2011). Markedly, the city emphasized four main categories of actions: (1) porcelain business improvement, (2) international cooperation on porcelain, (3) porcelain tourism development, and (4) communication. Within the first, Jingdezhen released policies on protection of intellectual property, porcelain in industrial parks, trade facilitation, attraction of foreign corporations, and tax breaks for traditional handmade porcelain (Liu, 2019, 2020). Additionally, the local government set a fund of about US$15.2 million for the ceramic industry and a fund of roughly US$1.5 million to support creative industries (Jingdezhen City, 2018; Liu, 2020).

The second category involves domestically—and internationally-based actions. In the domestic dimension, Jingdezhen strengthened partnerships with national institutions like the Palace Museum, the Chinese Artists Association, the Central Academy of Fine Arts, and the China Academy of Art (Mei, 2018). Those alliances expanded international influence through exchanges, science, and cultural diplomacy (Mei, 2018).

[2] http://www.jdztsg.com/libraryface.aspx

Partnerships made possible the “Sino-German Industry 4.0 Industry Education”, the construction of the “EU-China Living Urban Lab” and the “2018 Symposium on the BRI”. The latter gathered Chinese and foreign experts in Jingdezhen to discuss ceramic culture, creative, and cultural tourism (Jingdezhen City, 2018; Liu, 2019). Experts from more than 50 countries and renowned institutions like the Limoges National Academy of Art and the International Academy of Ceramics have gathered in Jingdezhen since 2018 due to the Taoxichuan Autumn Fair.

In fact, international exchanges have intensified since 2018, sponsored by China Scholarship Council (*Guójiā liúxué jījīnwěi* 国家留学基金委) which already involved about 100 students from about 30 countries studying in local universities. Likewise, craftspeople from fellow UNESCO creative cities, Kanazawa and Paducah, were residents in Jingdezhen between 2016 and 2018. Jingdezhen University implemented the first UNESCO Chair on Ceramic Culture, Preservation and Creativity in 2017.

In 2018, the city held international expositions in partnership with Tokyo and Ishikawa-ken with the support of the Ministry of Culture and Tourism. Foreign craftspeople living in Jingdezhen, known as “Jingdezhen drifters” or “jingpiao” (*Yáng jǐngpiào* 洋景漂) are important supporters of national and international expositions. Currently, about 5000 of the 30,000 Jingdezhen’s craftspeople are foreigners (Huaxia, 2019). International visits were also relevant. For instance, representatives of National Commissions for UNESCO from France, Indonesia, Korea, Thailand, and China visited porcelain heritage assets in 2018 (Jingdezhen City, 2018).

In the international dimension, Jingdezhen continued to participate in global networks and strengthened international cooperation. Porcelain exhibitions were held worldwide with the support of the Foreign Affairs Office of Jiangxi, the municipal committee of the CCP, the State Council Information Office, and Chinese embassies (Jingdezhen City, 2018). For instance, the “Experience China: Craftsmanship with passion” was held in Hamburg during the G20 Summit in 2017 (Jingdezhen City, 2018; Xuxin, 2019). Likewise, the short film *Jingdezhen – A City Rich in White Gold* produced by the city government took part in international film festivals like in the UK and Brazil (Jingdezhen City, 2018).

The third category related to porcelain tourism led to improvements in local assets. For instance, Mingfang Industrial Park (*Míngfāng gōngyuán* 名坊园) was transformed into a new cultural landmark (Jingdezhen City, 2018; Yan, 2016). Also, the Sanbao International Ceramic Art Village

(*Sānbǎo guójì táoyì*cūn 三宝国际陶艺村) and the Taoxichuan Ceramic Art Avenue (*Táoxīchuān* 陶溪川), which was awarded in 2017 for cultural heritage conservation, are pivotal destinations in Jingdezhen (Han, 2018; Jingdezhen City, 2018). The annual ceramic fair, sponsored by Ministry of Commerce (*Zhōnghuá Rénmín Gònghéguóshāngwùbù* 中华人民共和国商务部), China Council for the Promotion of International Trade (*Zhōngguó guójìmàoyìcùjìn wěiyuánhuì* 中国国际贸易促进委员会), China National Light Industry Council (*Zhōngguó qīnggōngyè liánhéhuì* 中国轻工业联合), Jiangxi Provincial Government, as well as private enterprises have gathered about 30,000 ceramists including 5000 foreigners in the last years (Jingdezhen City, 2018).

Communication is the fourth category. In the report submitted by Jingdezhen to UNESCO in 2018, the city expressly mentioned the city's website (http://eng.jdz.gov.cn/), the website of Jingdezhen Creative City Office (http://jdz.taoc.cc/) and social media such as WeChat and Weibo (https://weibo.com/jdzsyb) (Jingdezhen City, 2018).

In line with BRI, the Ministry of Culture and Tourism created, in 2019, the "Jingdezhen National Ceramic Culture Heritage and Innovation Pilot Zone" (*Jǐngdézhèn guójiātáocí wénhuàchuánchéng chuàngxīn shìyànqūshí* 景德镇国家陶瓷文化传承创新试验区). The plan intends to make Jingdezhen a world famous ceramic cultural center by 2035 (Huaxia, 2019; Xiong & Liu, 2020). In this regard, the city's mayor Liu Feng stated that "the long history of porcelain making and rich ceramic relics are the biggest advantage, resource and wealth of Jingdezhen" (quoted by Huaxia, 2019, para. 26).

Therefore, the plan focuses on environment protection, industry internationalization, research, culture, and heritage protection (Ministry of Culture and Tourism, 2019). The environment protection involves the benchmarking of sustainable businesses and measures toward clean and high-efficient industry systems. For internationalization, the plan foresees tax breaks and incentives related to the ceramic exportation zone, the ceramic innovation center focusing on high-technology and design, as well as attraction of foreign companies to the zone. It also involves improvements on the porcelain supply chain and incentives for setting up overseas warehouses.

The focus on research means to integrate industry and education. This includes archeology, technical research, education camps, ceramic art education in primary and secondary schools, and the attraction of think tanks and foreign experts to Jingdezhen. The culture and heritage axis focuses on cultural exchanges, film production, stage plays, and books inspired by ceramic culture. Finally, the focus on branding refers to the transformation of the city's kaolin soil into a core product integrating tourism, culture, and environment. This comprises the development of porcelain geographical indications, porcelain brands, protection of intellectual property rights, and improving tourism infrastructure, namely boutique homestays and gourmet districts. It is noteworthy that when visiting the city in 2019, the premier stated "we must go all out to build a national experimental zone and make the Millennium Porcelain Capital an International Porcelain Capital" ("Yào quánlì yǐ fù jiàn hǎo guójiā shìyàn qū, bǎ qiānnián cí dū dǎzào chéng guójì cí dū" "要全力以赴建好国家试验区，把千年瓷都打造成国际瓷都") (Liu, 2019, para. 2). Therefore, porcelain has sustained the international influence of Jingdezhen, besides promoting Chinese interests.

The city diplomacy of Jingdezhen in the scope of BRI has developed through an interplay of actions and agents. Three main categories gather the actions of city diplomacy: logistic channels, world-class industry, and systematization of tools for international interaction. Additionally, four categories of agents develop such activities: local-level public sector, subnational-level public sector, national-level public sector, and private agents. Those actions and agents are summarized and described in Table 12.1. All things considered, it is noticeable that local government and its departments together with national and subnational authorities have worked together to advance BRI strategies by adopting specific actions related to city diplomacy.

Conclusion

Given that most of the global issues are concretely addressed at the local level, cities have become prominent protagonists in contemporary diplomacy. They are pivotal in the Chinese Belt and Road Initiative. This includes both cities placed as nodes at the BRI routes as well as cities far from those maritime or overland routes (non-nodes cities). Such situations involve international interaction of cities, which is explained by city diplomacy. This paper demonstrated how BRI involves Chinese cities which are not directly placed at initiative's routes and enables them as

Table 12.1 Actions and agents of Jingdezhen diplomacy under the BRI

Actions of city diplomacy of Jingdezhen	*Agents*
• Logistic channels – Recognition of Jingdezhen as one of the protagonists of BRI – Implementation of railways, highways, and airport – Implementation of the Internet+ national strategy – Foreign trade incentives, including e-commerce – Concentration of ceramic businesses at industrial parks – Creation of the ceramic exportation zone • World-class industry – Tax breaks for traditional handmade porcelain – Funding for ceramic industries and creative industries – Incentives for overseas warehouses – Implementation of porcelain geographical indications – Intellectual property protection • Systematization of tools for international interaction – Participation in international networks and organizations – International exchanges – Science diplomacy – Cultural diplomacy – Environmental diplomacy (sustainable businesses) – Hosting international events and technical visits – Porcelain tourism – Communication tools	• Public sector at local level – Local government – Municipal committee of the CCP • Public sector at subnational level – Foreign Affairs Office of Jiangxi Province • Public sector at national level – State Council Information Office – Ministry of Culture and Tourism – Ministry of Commerce – China Council for the Promotion of International Trade – Chinese embassies abroad • Private sector – Local universities – Foreign craftspeople living in Jingdezhen – Multinational companies – International experts

Source: Author's work on this section's content

protagonists of international integration and of promotion of Chinese interests worldwide.

The BRI features China's strategy to realize security, political and economic interests. Concretely, the initiative aims to connect Asia, Europe, and Africa through infrastructure and logistic channels. In this vein, Chinese cities are effective points of connection between the BRI and the world. Fate, geography, and context are among the main factors that determine the role of Chinese cities in the national strategy. This scenario gave rise to the city diplomacy with Chinese characteristics, which place cities as pivotal actors within national diplomacy. According to the Constitutional Law of China principles of non-interference, friendship, cooperation, and mutual benefits guide Chinese city diplomacy. Additionally, China's development forged four phases in the city diplomacy evolution: reform consolidation, economic development, response to "Chinese threat" narrative, and cities within BRI. The last was the main objective of study in this research.

Since 2014, city diplomacy has supported the BRI. The Chinese strategy assigns relevant roles to cities, especially related to economic cooperation, people-to-people exchanges, and cultural diplomacy. The BRI encourages cities to show the best of China to the world grounded on its own strengths, mainly related to geography, fate, and context.

Jingdezhen, the world capital of porcelain, which originated the Chinoiserie between the sixteenth and seventeenth centuries, is an important protagonist of BRI. Since the eleventh century, Jingdezhen has supported Chinese influence in the world through the magnificence of its porcelain, which became a symbol of the glorious Chinese civilization. At those times, the porcelain from Jingdezhen had been distributed to the world through the ancient Silk Road. Therefore, the city was chosen to feature the case study in this research.

The case study described the ancient origins of Chinese porcelain and how Jingdezhen used city diplomacy to expand the international influence of China. Besides identifying the long road of Jingdezhen in building the porcelain culture, emphasis was given to the role of the city to the BRI. The paper revealed how the Chinese strategy guided Jingdezhen to become a world-class city and to advance national interests through porcelain. On balance, this made evident the huge potential of city diplomacy to advocate cultural assets on behalf of China, as they usually master the local knowledge and the access over local history, fate, and geography. In the BRI context, cities foster diplomacy especially by developing logistic channels, encouraging world-class industries, and promoting international interactions. Main agents involved in city diplomacy with Chinese characteristics are within the public sector at the local, subnational, and national levels as well as at the private sector.

Future research may include comparative analysis between node and non-node cities within the development of the BRI. Similar analysis involving cities outside China involved in BRI plans can contribute to deepening the understanding of the differences between western and non-western perspectives of city diplomacy.

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CHAPTER 13

The Belt and Silk Road: Do These Ties Bind China and South Africa?

Siphamandla Zondi

Introduction

The Silk Road Economic Belt and the twenty-first-century Maritime Silk Road, which is taking place in at least 64 countries across Asia, the Middle East, Europe, and Africa, was proclaimed by Chinese President Xi as the "Project of the Century". The Belt and Silk Road Initiative (BSI), as it is commonly known, was designed to harness the idea of silk roads of centuries past to connect the economies of four continents of the world combining land and ocean economies in comprehensive and linked economic relations that would benefit all the countries involved. Given the massive growth of relations between South Africa and China after the former chose the former over Taiwan as a diplomatic partner in 1997, the BSI was seen in Pretoria as an opportunity to further deepen and increase trade and investment between the two. So, South Africa enthusiastically signed up what was, in its view, a consolidation of strategic partnership of 2010

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and the comprehensive strategic partnership of 2015. South Africa has happily joined it. South Africa's relations with China have grown significantly since the country decided to cut relations with Taiwan in favour of China after apartheid.

China-South Africa Relations Before the BSI

On 1 January 1998, South Africa-China's formal relations began in an era of changes in the global power landscape as the world contended with the aftermath of the end of the Cold War, an Asian financial crisis, and the rise of a unipolar world order. These relations can be traced back to the long period of the anti-apartheid struggle where the apartheid state located itself economically and politically within the West and chose Taiwan as its friend, while the liberation movements largely non-aligned built strong solidarity with governments and movements also in the communist bloc led by the Soviet Union and separately exemplified by China. They therefore recognised China as their friend. China had from the 1970s quickly replaced Taiwan in many platforms as a true representative of the Chinese people. By the 1990s, it had become a major global economy that was consistently growing in power and influence so strong that many African states were also switching from Taipei to Beijing. So, when the apartheid state collapsed, the new South Africa switched to Beijing too, while maintaining relations with Taipei at pure commercial level managed by a liaison office on both sides. China had grown ever significant in economic terms that had moved from the middle of a table of global economies to the top ten when South Africa became a full democracy with strong global ambitions, and it would subsequently move to a point that by 2013 it had become a second-biggest economy in the world. This economic resurgence was just significant for South Africa and other emerging powers to ignore or under-estimate. This pragmatic consideration clearly combined with the strategic and ideological considerations that drew South Africa towards Beijing rather than Taipei. It became a feature of post-Cold War nationalism to embrace China either as a friend with close happy ties or a mere partner with functionally strong transactional relations.

Chinese contact with what is today South Africa is traced back to the nineteenth century when there is evidence of trade contacts with parts of what became Transvaal. Chinese traders were involved in regional trade dealing in various items in the south-east coast of Africa. This was mainly commercial trade by men of the ship who arrived, stayed a short time, and left. This was part of commercial contact with the world before colonial rule altered this from trade among the free to the importation of Chinese as labourers. This picked up the growth of a mineral revolution following the discovery of gold and diamond for western commodity trade. Among these were Chinese labourers recruited by mining companies to work in burgeoning mines in colonial Transvaal. In the aftermath of the Anglo-Boer War in 1899–1902, the Transvaal Republic recruited over 60 00. This necessitated consular support from China until the Jan Smuts government decided to repatriate Chinese workers back to China. Bright (2013:1) explains this as follows:

> In 1904, the Transvaal began importing Chinese indentured labourers for the Witwatersrand (Rand) gold mines. This was one experiment in a swathe of efforts to rebuild the local economy and pay back some of the colony's crippling war debts to Britain after the South African War (1899–1902). Overall, 63,695 Chinese were imported between 1904 and 1907. By 1910, all the workers had been forcefully repatriated to China, but their introduction had an important and lasting effect around the world.

But the experiment did not last long because it generated resentment both from white and black labour who saw this as the work of British imperialism importing cheap labour to displace poor whites and African labourers from job opportunities. It was an experiment of early colonial capitalism at the time when global capitalism was taking shape by developing value chains across boundaries to facilitate the movement of goods, services, and labour for maximum profits. The white working class, mainly Boers, mounted a spirited opposition to this element of international capitalism, which Denoon (1968) found increasingly seen as a threat to white working class in South Africa. Denoon quotes JA Hobson as having pointed out that at the dawn of the 20th century, the British imperial government increasingly had to balance the interests of capitalist financialised oligarchs with global tentacles, on the one hand, and a growing sentiment in South Africa towards nationalism based on Boer domination. Jonathan Hyslop (1999:398) has shown that "[t]he white working classes in the pre-First World War British Empire were not composed of 'nationally' discrete entities but were bound together into an Imperial working class by flows of population which traversed the world".

The forces of international capitalism sought to benefit from its presence across the empire and its tentacles to source the most economical ways to generate maximum profits, hence the importation of labour from China at a much cheaper cost than local African and white labour. This was facilitated by the imperial government under Lord Milner in the case of South Africa. On the other hand, there had developed an ideology of white labourism both out of nationalist impulses that were strongest among the poor Boers as well as from the movement of white labour across the settler colonies under the British empire. This ideology was globalist in the sense of shared perception of the world, which mostly meant the British empire, but it was also nationalist in the South African segment especially following the war between the Boers and the British from 1899 to 1902. This latter sentiment explains the strong mobilisation of authorities against the importation of Chinese labour by the Boer working class, which led to what became known at the time as the Chinese problem. Both heads of the Afrikaner nationalist leaders, Louis Botha and Jan Smuts, opposed the addition of the Chinese into what they saw as a volatile melting pot of British settlers, other settlers, the Boers, the Africans, mixed-race people, and Indians. For them, this undermined the goal of a Boer domination of the colonial region made up of the Cape, Natal, Transvaal, and the Orange Free State (Sympson, 2016). Smuts saw this as a "contaminating the well spring of our national and social life", a sort of a nuisance that needed to be ended with speed. When he got the opportunity to act on this Smuts organised the repatriation of Chinese labours, thus ending the hysteria about the Chinese question. For the duration of segregation and after 1948 apartheid government, the white South Africa would ensure the Chinese remained far.

During the Cold War, of course, the apartheid governments sided with the Republic of China (Taiwan) and saw the People's Republic of China as an enemy. South Africa will locate itself within the Western bloc in this contest, repeatedly expressing interest to be involved in Cold War battles. It is during this period that Taiwanese businesspeople settled in South Africa in increasing numbers so that by 1994 the Chinese (Taiwanese) population in South Africa was sizable. The apartheid state set up a consulate in Taiwan only in 1967 because it was reluctant in building the relations too robustly and cause China to support South African liberation movements even more. Relations with Taiwan were upgraded after the expulsion of Taiwan from the United Nations in favour of China, leading to state visits by the heads of state of Taiwan and apartheid South Africa in the 1980s and early 1990s (Wang, 1990: 153). The two countries claimed that besides commerce, they were joined together by opposition to communism. The two cooperated even in military affairs and exchanged technologies and expertise together with Israel in support of South Africa's nuclear war programme, building weapons of mass destruction. The switch to diplomatic relations with mainland China ended all this growing relationship and inaugurated an astronomical rise in relations with China.

Nelson Mandela undertook a state visit to Beijing in May 1998 and his Chinese counterpart reciprocated in 2000 where the relations were elevated by establishing a binational commission to support a growing list of areas of cooperation. This coincided with the launch of the Forum on China–Africa Cooperation (FOCAC) in November 2000 further deepening cooperation in this area of mutual interest, African economic development. By 2004, after three binational commission sittings, the level of relations was raised again into a "strategic partnership".

In 1998 the trade between South Africa and China had grown speedily to reach R22 billion (¥9.6 bn) and by 2020 this would grow ten times to reach R220 billion (¥96 bn) in value. China became South Africa's major export destination. Some R100 billion (¥43 billion) worth of experts in ores and ash alone, R14 billion (¥6 bn) of iron and steel, R6 billion (¥2.6 bn) for copper. Other significant exports include pulp of wood, edible fruits, wool, pearls, chemical products, plastics, charcoal, and meat. The trade became comprehensive throughout this period with over 80 major trade items. China moved from being a peripheral player in South Africa to the leading trade partner, the biggest export market, and the largest source of imports since 2010. At the same time, South Africa also became China's biggest trade partner in Africa, being the most diverse and fastest-growing trade relationship. South Africa also received the largest number of Chinese tourists and the largest number of Chinese cities twinning in Africa.

China constituted 13.4% of all South Africa's exports by 2020. The quality of export trade had always grown diverse and sophisticated with a lot of promise for industrialisation. Ores, iron and steel, wood pulp, copper, fruits and nuts together accounted for 88% of South Africa's total exports to China. This contributed to growth in agriculture, mining, and services industries, and the ripple effect right through the economy were evident.

Exports to China grew in the period after the global financial crisis when trade volumes with other trade partners were in decline. For instance, South Africa's exports to Germany decreased by half in 2020. This was partly because vehicle exports account for the bulk of the export trade with Germany. So, the trade Relations were not sufficiently diverse. Secondly, agriculture was the best performer in export trade in this period, and this favoured export markets that required diverse products from South Africa (Marley, 2020).

This growth trajectory would continue during 2021 too. This was because China was on a buying spree, focusing mostly on agricultural products (Nyabiage, 2021). The bouncing back of trade and investment flows following a near freeze that took place in 2020 due to the Covid pandemic suggested that the demand for African and South African goods and services in China was higher. China itself had recovered quickly from the ravages of the virus first pin-pointed in China and had experienced an economic recovery in the middle of 2021 when the rest of the world battled due to the pandemic. This was part of the trend evident in China's imports from Africa.

The Silk Road Initiative and South Africa

The Belt and Silk Road Initiative is part of Chinese economic diplomacy, an ambitious dream to connect China's trade and investment to economies in Asia, Euroasia, Africa, and Europe in a manner that replicates the belts and silk roads of old. It is said that this initiative was meant to boost China's standing in the world while enhancing the personal fortunes of Chinese President Xi Jinping (Frankopan, 2020). It was part of a whole set of other initiatives and activities to enable China to maintain its superior economic growth and development through a huge network of beneficial economic relations. This meant a closer integration between China and the affected economies. These "Silk Roads" are founded on the same characteristics, namely: A belt of economic cooperation for China and the countries of the region; a belt of the free flow of investment and trade for China and the countries of the region; a belt of interconnecting infrastructure, including road, railroad, sea lanes, and air links for China and the countries of the region; and a belt for the free flow of people for China and the countries of the region. In promoting greater economic cooperation, the two initiatives also call for trade settlement in local currencies and more currency swap schemes (Chiu, 2018).

From the very start, the financial package to give effect to the initiative was significant. In 2014 China announced an R577 billion (¥252 billion) Silk Road Fund, while in April 2015 it announced a capital injection of some R4 billion (¥1.7 bn) from its foreign reserves into its policy banks (the China Development Bank, Export-Import Bank, and the China Agricultural Bank) to support its one belt-two roads initiative. Chinese analysts have spoken about the initiative resting on the principles of open regionalism that would contribute to "greater connectivity across sub-regions, thus fostering greater regional integration" (Chiu, 2018). In 2017, Fitch reported that R60 billion (¥26 bn) in Chinese projects across Africa is already underway. Infrastructure development and trade across Africa will certainly take centre stage in the Belt and Road Initiative.

The Pretoria Declaration on the Partnership Between the People's Republic of China and the Republic of South Africa signed in April 2000 committed the two countries to the spirit of partnership and constructive dialogue, while jointly supporting south-south cooperation and supporting each other in international fora (Pretoria Declaration, 2005). To structure this new partnership, the declaration established a Bi-National Commission (BNC) to coordinate all government-to-government cooperation. The constructive dialogue part was about the two countries engaging each other towards some agreements on peace, development, and economy. They were concerned to see how they jointly work to benefit from globalisation that was seen as leading to the marginalisation of some developing countries. There was therefore dialogue from the start about how the two coordinate in the process towards an economic order that is inclusive, just, and developmental in purpose (Shelton, 2001). The BNC became a platform for sectoral and cross-sectoral dialogue on ways to concretise the partnership and achieve its aims. It is these dialogues that such initiatives as a 2006 agreement to protect the textile industry led to increasingly being decimated by cheap Chinese imports took place. There were agreements also in such areas as agriculture, minerals and energy, technical cooperation, investment and trade promotion, customs cooperation, and nuclear non-proliferation (Shelton, 2005:264). "By 2006, Chinese companies had invested $180 million in over 80 projects involving agriculture, textiles, electronics, mining, banking, transport and communications" (ibid., 265). On this basis, it was thought the two countries were evidently building a new form of South-South Cooperation that would be used to advance African interests and global reform at the same time.

In 2010, South Africa and China upgraded their strategic partnership into a "comprehensive strategic partnership" based on "equality, mutual benefits and common development". The elevated partnership hoped to "promote trade and investment growth, energy cooperation and optimize financial services" as well as "culture, education, media, health and tourism, bolstering more academic and research cooperation" (Xinhua, 2010). Regarding multilateral governance, the partnership was meant "to improve consultation and coordination to further South-to-South cooperation and tackle global challenges" (ibid.). It included the recognition by China of South Africa's leadership in Africa bringing about peace and development and its ambition to play an ever-larger role in international affairs (Xinhua, 2010). The specific aims the partnership needed to achieve were four, namely: to further strengthen bilateral relations promoting the common development of the two countries; to deepen China–Africa cooperation; to strengthen South–South cooperation; and to jointly address global challenges (Sinclair, 2019: 98). The last three related to coordination in global multilateral platforms and the first was to provide the rands and cents to sustain this broader relationship. As a result, trade volume between China and South Africa went up by 56%, which suggested a resounding success in improving economic relations, at least in terms of the scale of trade. As Fig. 13.1 shows, China became in this period by far the biggest source of trade for Africa and a significant part of this was with South Africa.

This comprehensive strategic partnership preceded South Africa joining the Brazil, Russia, India, China (BRICs) forum that catapulted South Africa onto a greater international stage. With China having championed this strongly, BRICs membership gave South Africa a major boost by enabling it to access trade, investment, and economies of the scale above

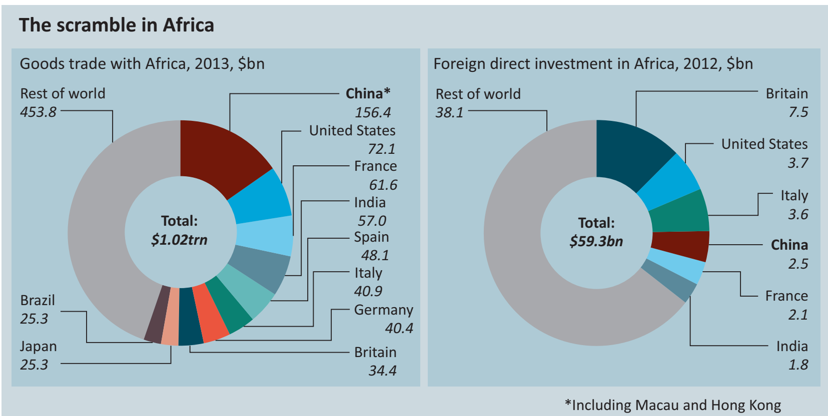

Fig. 13.1 The economist, China in Africa one among many. Sources: UNCTAD; IMF

50% of the world's GDP. It gave South Africa an influence to pursue the terms of the partnership that related to jointly pursuing a transformational agenda in international institutions. This would come in handy given South Africa's long-standing ambition to contribute to the transformation of global governance and promote inclusive international development. But it also gave South Africa opportunities to acquire new means to overcome its deep problems of poverty and inequality (Sinclair, 2019). This China understood.

At the same time of inception, China indicated that a detailed plan for the BRI for the entire initiative was being canvassed with other partners. In March 2015, China released a detailed plan entitled "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road", which indicated that the Maritime Silk Road was designed to include the Indian Ocean routes to Europe, and the South China Sea routes to the South Pacific. It also indicated that China wanted this proverbial road built in cooperation and consultation with others along the road (Chiu, 2018).

South Africa and the BRI Uptake

South Africa took a keen interest in joining the initiative alongside tens of other countries right from the start. This was because South Africa's economic relations had grown so much that it had become China's strategic economic partner in Africa with trade worth billions in US dollars. South Africa saw in the practical expression of its long-term goal to promote south-south cooperation and North-South dialogue. The bilateral relations with China had catapulted the country into a strategic partnership with a comprehensive set of areas of shared interest and deep levels of economic cooperation, a sound basis for South Africa to play an active role in the BRI initiative.

As the initiative was being born, South Africa and China concluded a set of six agreements that indicated an attempt to elevate cooperation into a special relationship. The stated intention was to "strengthen bilateral relations, trade cooperation and create sustainable investment opportunities between the two countries" (South African Government, 2014). These agreements together constituted the so-called 5–10-Year Strategic Programme on Cooperation between the People's Republic of China and the Republic of South Africa designed to strengthen bilateral relations, improve trade cooperation, and enable sustainable investment flows between the two countries. Other undertakings included here were the undertakings between ministers of trade and commerce of the two countries regarding upscaling trade and investment, and undertakings in the action plan on cooperation agriculture with specific protocols on the export of maize and apple fruit from South Africa and of dates from China. The latter undertakings made room for exchange of capacity and skills as well as essential technological cooperation for agricultural development (SA Government, 2014).

First, the direction of trade and financing of major projects looked set to have a greater regional focus on the east coast and the Horn of Africa with Kenya, Tanzania, and Ethiopia serving as Chinese development nodes. To date, the actual projects tied to China's initiatives overwhelmingly involve "infrastructure finance and construction, including the multi-million-dollar rehabilitation of the East African railway linking the port city of Mombasa with Nairobi and eventually extending into Uganda" (SAIIA, 2015). They have the potential to also deepen intra-African trade if the African governments provide the necessary political, legislative, and planning support under the African Continental Free Trade Area as well as sub-regional FTA.

China and South Africa signed a memorandum of understanding (MoU) in December 2015 to jointly build the "Silk Road Economic Belt and the 21st Century Maritime Silk Road". The MoU sought to create opportunities for mutual learning, to improve exchange, and to achieve an integration of technology, goods, people, and capital between the two countries. For South Africa, this MoU offered an opportunity to solidify its position as China's biggest trade partner in Africa by volume and value of trade and its investment gateway into Africa. It would boost every sector of trade that was already growing by leaps and bounds every year and give a boost to exploring new drivers of trade. It was also hoped a BRI-anchored agreement with South Africa would have a positive ripple effect on the Belt and Road Initiative in Africa in general in the hope that such would also positively impact Africa's trade terms with China that had remained skewed in Beijing's favour for the years. Agreements represented commitments to cooperate in the fields of climate change, water resources, transport-related infrastructure, and refurbishments to several technical and vocational training colleges. Furthermore, an MoU was signed between the South African Department of Trade and Industry and its Chinese counterpart, the National Development and Reform Commission of China, to cooperate on international investment promotion for South Africa's special economic zones and industrial parks.

"For us there is overcapacity, but for the countries along the 'One Road One Belt' route, or for other BRIC nations, they don't have enough and if we shift it out, it will be a win-win situation," an official of the Chinese Department of Commerce is quoted in South Africa as having said (Hogg, 2015). Of course, South Africa saw itself as one of those countries that would benefit from this over-capacity in China given constraints to its capacity to industrialise, manufacture and enter the high end of technological innovation. As one news report said, one of the Chinese regions with overcapacity was Hebei. "Hebei is also planning to shift at least 5 million tons of crude steel capacity overseas by 2017," said the report, "and its biggest producer, the Hebei Iron and Steel Group, has already signed an agreement to move some of its plants to South Africa" (Stanway, 2015). This is not surprising because the literature on China's industrial development shows that its industrial policies since the early 1980s had by the 1990s changed China's industry "from the low-end assembly link in the global value chain to a major exporter with a rising proportion of medium-and-high-tech products" (Wei, 2020:29). With this, it needed to play a role in industrial development elsewhere and export its overcapacity not merely for altruistic reasons, but because it needed that for its evolution into a highly industrialised country in need of markets for its goods, services, innovations, and capacities. It knew it needed to do this in a manner that enabled countries to industrialise based on their own national conditions and aspirations.

South Africa also found a natural fit between the initiative by China and its own goals as set out in the National Development Plan (NDP) that was new at the time, requiring a country to aggressively look for trade and investment opportunities to support industrialisation through infrastructure development and commercial relations. It saw the initiative as promising easier to find economic opportunities. The NDP is a national development vision towards 2030 that was adopted in 2012 to significantly boost the country's economic, social, and governance outcomes that included a sustainable and inclusive economic growth, growth in trade, and investment.

In 2015, South Africa and China signed the "MoU on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road" as part of 25 other agreements designed to elevate the relationship into a strategic partnership. The other agreements aligned with the six joint priorities between the two countries, namely:

- Enhanced cooperation in Special Economic Zones (SEZs)
- Financial cooperation
- Infrastructure development
- Alignment of industries to accelerate South Africa‘s industrialisation process
- Enhanced marine cooperation
- Human Resources cooperation

One catalytic agreement signed was to put together an “Action Plan on the Strengthening of the Joint Working Group between China and South Africa”. The purpose of this was to improve concrete cooperation on agreed major projects on civilian nuclear energy; locomotive procurement; investment cooperation in industrial parks; renewable energy investments; trade promotion with a specific focus on South African product expos and Chinese trade missions; promotion of the export of South African products to China; supporting cooperation in Black Industrialists Programmes; visa facilitation, financial cooperation and the upgrading of South African national electricity transmission and distribution system. These areas would consolidate the economic cooperation that had grown astronomically over the decade to 2015, in critically important economic sectors for South Africa such as energy, agriculture, manufacturing, and transportation. These would also enhance the ability of South Africa to harness opportunities in the silk road and economic belts provided for in the MoU on this.

The MoU was premised on the shared understanding the BSI offered a comprehensive set of benefits beyond the economy. These included creating conditions for sustained peace, enhancing general cooperation, promoting openness and inclusiveness, engendering mutual learning, promoting mutual benefit, and win-win results; and enriching the meaning of economic belts and silk roads in the new era (South Africa Government, 2015). There was also an easy fit between the initiative and South Africa’s maritime economy strategy called Operation Phakisa pivoting on harnessing the Indian Ocean economic sphere. Operation Phakisa’s maritime transport and infrastructure pillar, capacity building, and market growth immediately fitted into the MoU (SAIIA Staff, 2015). There was an express commitment to the operation.

South Africa was attracted not only by the economic potential of the BSI, but also by the values it stood for, namely: peace, development, cooperation and openness and inclusiveness, mutual learning, and mutual benefit. The BRI initiative recognised what South Africa already trumpeted the need for economic initiatives that harness and deepen global interdependence and enhance the trajectory towards a multipolar, diverse, digitised, and inclusive world that is just and fair to all. This paradigm gave the basis for South Africa's warm embrace of the BRI through the MoU. China seems to have understood South Africa's strong belief in self-reliance that Chinese leaders referred to "the joint construction of the Belt and Road Initiative" and the implementation of South Africa's action plan in the areas of mutual interest (Embassy of China, 2019). The Chinese president repeatedly refers to his encouragement of Chinese enterprises to help South Africa achieve the goals of its investment drive. In 2019, China pledged R200 billion (¥87.4 bn) in investment towards South Africa's investment drive including transport, infrastructure, and logistics.

By 2019, China had signed some 171 cooperation agreements with 123 countries and 29 international organisations. This had led to the construction of railways, roads, ports, and airports in four continents. Some R90 billion (¥39.3 bn) worth of trade and investment had been registered. This involved scores of enterprises from China and across the world. This brought a lot of investments into South Africa in various economic sectors such as agriculture, mining, technology, and transport. As Fig. 13.2 shows, the Chinese FDI into South Africa has been on a steady rise, peaking in 2017 and declining in 2020 during the Covid-19 pandemic. Yet, the Chinese industry accounted for half a million jobs in 2020 and R81 billion (¥ 35.5 bn) in revenues. China-South Africa trade accounted for 15.48% of South Africa's total foreign trade volume, which amounted to 0.83% a year-on-year increase.

The Belt and Silk Road agreement with South Africa and its outcomes were of significance for Forum on China-Africa Cooperation (FOCAC) and Africa. It contributed to boosting the overall Chin-Africa trade and investment volumes. It also enhanced the strategic convergence between the two on matters of global significance. South Africa became one of the key gateways into Africa for the Chinese, thus enabling the growth of economic and political cooperation. In conclusion of FOCAC in Sept 2018, the South African President, Cyril Ramaphosa announced that the two countries have signed numerous agreements to enable economic growth and educational opportunities. On the promotion of trade and investment between the two countries, an agreement was signed with the value of R14 billion (Fig. 13.3).

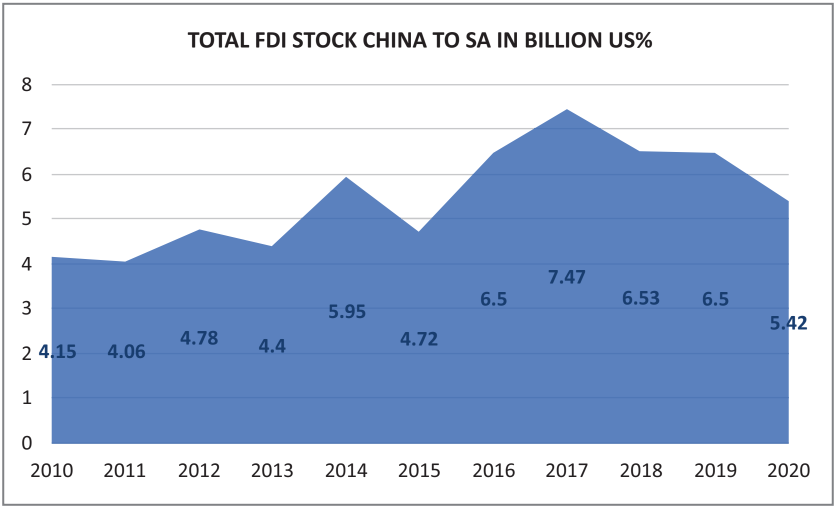

Fig. 13.2 Total China to South Africa FDI stock, 2010–2020. Source: Own from Statistical Data (2022)

Fig. 13.3 Chinese loans to South Africa

- Chinese banks lent a combined $2.8 billion logistics company Transnet.
- Eskom received an injection of $2.5 billion from China Development Bank.
- $300 million from Industrial and Commercial Bank of China.

The initiative also aims to promote expansion of mutual investment areas, to deepen cooperation in agriculture, forestry, fisheries, machinery manufacturing, and farm produce processing, and to promote cooperation in the marine product, deep-sea fishing, ocean engineering technology, environmental protection, and marine tourism industries. In turn, South Africa provides Chinese enterprises investment opportunities in aquaculture, agro-industry, ocean economic, renewable energy, seafood, and marine tourism, which are in line with the Belt and Road Initiative. Some of these investments were loans that causes some debates in the South Africa public about whether China was not locking South Africa into its loan diplomacy with an eye on South Africa's major assets like ports (Collocott, 2019).

South Africa intended to use its participation in the Belt and Silk Road initiative to boost employment and lead to employment-creating economic growth. As South Africa's Minister of Trade and Industry, Ebrahim Patel (2017: 5), said in 2017, "Our job as government is to ensure we protect South Africa's national interest and sovereignty, that Chinese investment and market access is directed at creating local jobs, ensuring technology transfers and local supply-chains are built and exporting more manufactured goods and value-added products to China and global markets." This is how he explained the care with which the government took in arriving at agreements and in regular review of their implementation. Two years later, the same minister underlined their intent on changing the pattern of trade with China and the EU by ensuring local beneficiation and the inclusion of or partnerships with local businesses (Patel, 2019). This was the attitude when in 2018 further trade agreements were signed, according to the Minister of International Relations and Cooperation (Pandor, 2019). South Africa, according to its president, used the invitation to the China Import Expo to showcase a few areas where it thought it had a lot to offer, including agricultural trade and agro-processing and others to grow African exports to China and thus contribute to economic recovery from the effects of the global financial crisis (Ramaphosa, 2018).

The difference realised defied the negative impact of Covid-19 that hit the world economy from the beginning of 2020. As a former South Africa Ambassador to China said in 2020:

> Despite the impact of the Covid-19, the China-South Africa practical co-operation and bilateral trade have maintained strong momentum and great resilience. According to data released by the South African Customs, from January to July this year China-South Africa bilateral trade accounted for 15.48% of South Africa's total foreign trade volume, registering a year-on-year increase of 0.83%. (African News Agency, 2020)

This and Fig. 13.4 about significant inroads South Africa companies have made into the Chinese market convey a sense that the ties built only recently when South Africa switched from relations with the Republic of China (Taiwan) to the People's Republic of China in 1997 have come to bind in multiple layers of quite close cooperation backed by ever-increasing investment and benefits.

Fig. 13.4 South Africa business and the Chinese market. Source: Haifang (2018)

SABMiller enjoyed a 23-percent share of the Chinese beer market by partnering with Chinese Resource Enterprises Limited in 2013 and another estimated 2-percent increase in 2014. South Africa's Naspers purchased shares in the Chinese media company Tencent and started to mainly rely on this stake in the Chinese company for its own growth.

Conclusion

This illustrates a sense of optimism with which the South African state has seen the South African participation in the BRI initiative building upon growing economic relations. These relations had grown by leaps and bounds both in volume and value since 1997. This had necessitated the elevation of the relationship from a special relationship to a strategic partnership to a comprehensive strategic relationship at which point the decision to place South Africa at the centre of China's BRI happened. This chapter has shown that there was a lot of enthusiasm on the South African side about the BRI, seeing it as a boost to the National Development Plan, Operation Phakisa, and more recently the investment drive. Trade and investment figures suggest that South Africa has benefited immensely from this including in areas of infrastructural development, logistics, agriculture, and the blue economy (maritime affairs). The extent to which these benefits will be sustained depends on several factors including how revenues are invested back into long-term economic measures such as infrastructure development. It also depends on how the BRI supports the African economic efforts like the AcFTA in which South Africa is a major gateway and potential catalyst. Indeed. The BRI has become a tie that binds South Africa and China to an ever deeper and more comprehensive relationship.

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CHAPTER 14

China's Economic Diplomacy in the Context of the Far-Right Government's Neoliberal Nationalism: The Case of Brazil's Energy Sector

Ricardo Lopes Kotz and Maria José Haro Sly

Introduction

There are two parallel and connected geopolitical narratives that have dominated the beginning of the twenty-first century: (1) the relative decline of the US since the post-Cold War period, more prominently after the crisis of 2007–2008; (2) the rise of China as an economic, political, and military power in the contemporary world-system. The dispute among the world's two biggest economies is increasingly manifested in different

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domains, such as trade, investments, and the control of strategic technological capabilities.

Since the Monroe doctrine was released by the US in 1823 and the well-known motto "America for the Americans", the hegemon considers Latin America as a region under its political and geoeconomic influence. The US has a long experience intervening in Latin American countries, directly or indirectly, by defending its strategic interests (Coatsworth, 2005; Rabe, 2011; Cottam, 1994).

Contrasting the hegemon's structural influence, China has been a growing presence in the region since it entered the World Trade Organization (WTO) in 2001. This period corresponds to the launching of the Going Global state policy, aiming at promoting the internationalization of Chinese firms. Recently, the Going Global strategy has been expanded and transformed into an encompassing foreign policy concept called the Belt and Road Initiative (BRI). Launched in 2013, with its first official White Paper published in 2015, the BRI is the main foreign policy initiative of the Xi Jinping administration.

These connected processes have impacts in the domestic and foreign policy in Brazil. Since 2009, China has become the first trade partner of Brazil, and the South American country has accumulated continuous trade surplus. In 2021, Brazil has registered a trade surplus of US$61 billion (Economy Ministry, 2022). Moreover, China is one of the largest investors in Brazil, replacing the US and Europe.

According to Ellis (2017), Brazil has a "complex alignment" with the US, sometimes rebelling against the US dominance in economic, political, and security regimes in South America. Brazil's progressive governments opposed the US-led Free Trade Area of the Americas and build new organisms such as CELAC and UNASUR, which excluded the US. Moreover, Brazil joined the BRICS and the New Development Bank.

After the highly controversial "parliamentary coup" of Dilma Rousseff in 2016 (Braga & Purdy, 2019; Goldstein, 2019), Ellis (2017) sees that the "conservative government of Michael Temer provided an opportunity

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for the United States to strengthen its strategic partnership with Brazil around cooperation on security and defense issues that advances the strategic interests of both nations". Later, the far-right populist, Jair Bolsonaro, an ultra-conservatist, implemented new politics of alignment with the former president of the US, Donald Trump (Guimarães & Silva, 2021). The main argument in this chapter is that Bolsonaro's alignment was founded on a new kind of neo-nationalist and neoliberal approach aligned with the US, that tried to get distant from China, but since the economic ties in the domestic and foreign trade sectors are so rooted in the Brazilian economy, this goal cannot be fully achieved.

The present article aims to analyze Chinese investments in Brazil's energy sector as a case of China's economic diplomacy (ED) in Latin America. Energy constitutes the biggest sector in which China has invested in Latin America, accounting for 51% of Chinese FDI in the region between 2007 and 2020. In the same period, Brazil attracted 47% of total Chinese investments made in Latin America (CEBC, 2021, pp. 10–12). Since 2010, the state-owned enterprise State Grid, which controls 90% of Chinese electricity transmission, has invested more than US$12.4 billion in the Brazilian energy sector. This amount represents 60% of State Grid's investments outside China and allows the company to control 10% of the high voltage networks and 14% of the distribution segment in the Brazilian market.

In this sense, two study cases will be analyzed: (1) the acquisition of CPFL (the Company of Power and Electricity of Sao Paulo, in Portuguese *Companhia Paulista de Força e Luz*) in 2017, a provider of energy operating in the most important economic region of Brazil by the Chinese firm State Grid; (2) the construction of two transmission lines connecting the Belo Monte Hydropower plant in Northern Brazil to the Southeastern states: Minas Gerais, Rio De Janeiro, and São Paulo, also conducted by State Grid. The first case consists of a foreign direct investment with a mode of entry known as merger and acquisition (M&A), while the second case consists of a greenfield investment, producing new infrastructure in Brazil.

The Framework of Economic Diplomacy and the Belt and Road Initiative

The concept of economic diplomacy encompasses a wide spectrum of economic tools used by a state in the international system to secure its national interests. These tools can involve different domestic actors, public and private, involving an array of issues such as, but not limited to: (1)

security; (2) access to natural resources; (3) trade; (4) migration; (5) investments; (6) topics related to development; and (7) negotiations, prestige, and influence (Heath, 2016).

The goals of economic diplomacy (ED) can be as narrow as boosting economic growth or as broad as developing geopolitical influence and a diplomatic network (Bouyala Imbert, 2017). Economic diplomacy involves the economic dimension of foreign policy while simultaneously affecting the strategic dimension of economic policy (Heath, 2016).

Chinese terms related to the intersection of economics and foreign policy include: (1) economic diplomacy (*jingji waijiao*); (2) strong trading power (*maoyi qiangguo*); (3) economic security (*jingji anquan*) (Heath, 2016). In this sense, Medeiros (2009) complements: "Economic diplomacy is regarded as trade, investment, and, increasingly, finance policies to support China's diplomatic goals" (Medeiros, 2009). In this sense, economic diplomacy consists of policies that not only serve economic purposes, but also serve political and strategic purposes as well (Yiwei Wang, 2004, 2008).

Economic diplomacy is pivotal in economic exchanges with China, even more so than when analyzing the actions of Western countries, due to the nature of China's economy, which presents a balance between the participation of the State and Market institutions, allowing for the use of economic tools to secure national interests (Blackwill & Harris, 2016).

Economic diplomacy with Chinese characteristics consists of the full utilization of external economic measures, such as steering the economy toward policy objectives. Economic diplomacy also comprises the need to effectively defend against and respond to a variety of risks coming from international economics to continue securing China's domestic development (Zheng et al., 2015).

Considering the framework presented above, Chinese President Xi Jinping launched the Belt and Road Initiative (BRI) in 2013, which consists of an infrastructure and international investment plan aiming to increase connectivity and development opportunities between China and emerging countries. BRI has become the key foreign policy initiative of the Xi Jinping administration, fostering connectivity throughout Eurasia Africa and Latin America.

According to official sources, the Initiative aims to increase the efficiency in the allocation of resources and coordination of economic policies, to promote an international cooperation framework that is open and inclusive and that stimulates the joint development of countries involved.

These objectives will be achieved through capacity building, financial cooperation, trade liberalization, and investments (State Council of the Republic of China, 2015).

Initially, the BRI covered Central and Southeast Asia, Africa, the Middle East, and Europe. Since then, BRI has been expanded, comprising the inclusion of South and Central American countries to its framework. The official invitation happened during the second ministerial meeting of the Community of Latin American and Caribbean States (ECLAC), on January 22, 2018, in the city of Santiago, Chile.

The Chinese government has signed memorandums of understanding with 146 countries and 29 international organizations as a part of BRI (Nedopil, 2022). The map below shows the member countries of the Belt and Road Initiative as of March 2022, as well as the year in which each country has signed a Memorandum of Understanding (MOU) with China (Fig. 14.1):

Although the only large country in Latin America that has signed the BRI recently is Argentina, the investments in Brazil and the strategic relations of the South American country are in line with the goals of the BRI. The vice president of Brazil, General Hamilton Mourão, said in his visit to China in 2019 that "projects of BRI could be realized in Brazil through the Program of Partnership for Investments" (Folha de Sao Paulo, 2019). Mourão added that the BRI is very important to countries that need a differentiated trade with China. "We already have this strategic relationship" (Folha d. Sao Paulo, 2019).

Chinese Foreign Direct Investments in Brazil's Energy Sector

The China Global Investment Tracker (CGIT) estimates that Chinese FDI along the Belt and Road Initiative countries has reached a stock of US$795.14 billion as of 2021, and the energy sector is the biggest destination, accounting for 38.8% of total FDI (US$308.99 billion), followed by the transport sector which accounts for 24.4% (US$194.02 billion) (AEI-CGIT, 2021).

The same pattern was followed in Brazil between 2005 and 2021, and China has invested US$70.65 billion in the Brazilian economy, out of which US$52.03 billion is destined to the energy sector, which means 70%.

Chinese FDI in Brazil was almost negligible before 2010, after which it has been growing steadily. Initially directed to sectors related to the

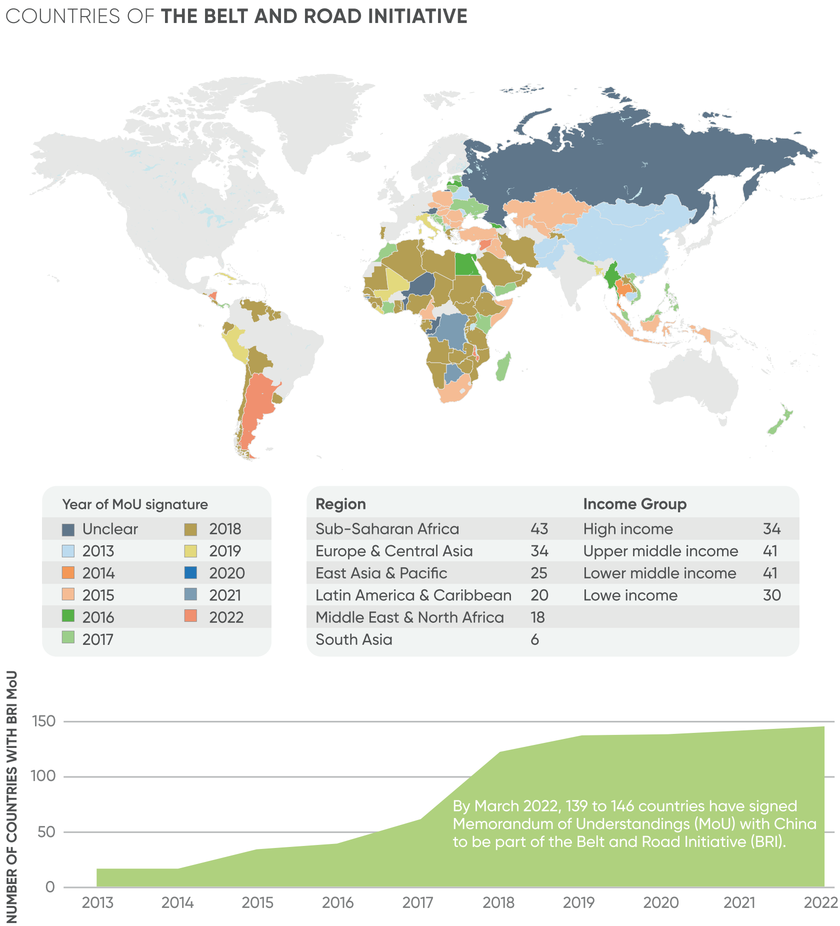

Fig. 14.1 Countries of the Belt and Road Initiative. Source: Institute for the Green Belt and Road Initiative (2021)

production of commodities, Chinese FDI has been changing its profile. By the year 2013 Chinese companies in Brazil consisted predominantly of state-owned companies, accounting for more than half of the investments in the domestic market. From 2014–2015 onward, the presence of private and mixed capital companies has been increasing in the machinery and equipment, technology, and financial services (CEBC, 2018).

Investments made by Chinese private companies in Brazil are smaller than the ones conducted by State Owned Enterprises (SOEs), but the flows have been growing. Between 2007 and 2012, 44 Chinese companies invested in Brazil and 22% of them were privately owned (CEBC, 2013). The year 2017 marked the first occurrence in which there has been the same amount of investment projects made by SOEs and private companies in Brazil. However, in terms of value, the SOEs represented 87% of all investments made by Chinese firms in Brazil in that year (CEBC, 2018).

Table 14.1 summarizes the investments made around generation, transmission, and distribution of energy.

The period of 2010–2016 has accounted for 115 incoming FDI transactions from China to Brazil, of which 83% have been mergers and acquisitions (M&As), 8% greenfield investments, and 9% joint venture investments. In this period, two companies have amassed 60% of Chinese investments in Brazil: State Grid and China Three Gorges (Kupfer & Freitas, 2018).

There has been a considerable fall in Chinese investments in Brazil in 2020, following the general trend of international markets due to the Covid-19 pandemic. Nevertheless, there are projects from Chinese firms in 23 of Brazil's 27 Federative states and estimates point that these FDI projects have generated 34,500 jobs in the country between 2013 and 2020 (CEBC, 2021).

The State Grid Corporation is one of the most important actors in Brazil's energy sector. State Grid ranks third in the Global Fortune 500 list of biggest companies, with more than 917,000 employees and revenues exceeding US$387 billion as of the end of 2020 (Fortune 500, 2019). In addition to that, Brazil represents 60% of the company's investments outside of China (State Grid Brazil Holding, 2020).

The State Grid Brazil Holding (SGBH) belongs to the SGCC and has been in the country since 2010, through the landmark acquisition of seven national power transmission stations belonging to Plena Transmissions S.A., a Spanish firm, which also had Brazilian capital in its operations (National Electrical Energy Agency of Brazil, 2010).

The stations acquired by State Grid are in the province of São Paulo, namely: (1) Araraquara, (2) Caxerê, (3) Expansion, (4) Itatim, (5) Itumbiara, (6) Porto Primavera, and (7) Serra da Mesa. The total cost of the transaction amounted to US$989 million, granting State Grid the control of these units (CEBC, 2011). Since then, SGCC has been involved in various projects conducting operations in 12 of the 26 Brazilian

Table 14.1 Chinese FDI in generation transmission and/or distribution of energy in Brazil (2010–2018)

Chinese company	*Amount (billions RS$)*	*Sector*	*Year*	*Partner*	*Type of FDI*	*Participation*
China Three Gorges Corporation	4.1	Generation, transmission, and/or distribution of energy	2015	No Partner	M&A	–
China Three Gorges Corporation	1.2	Generation, transmission, and/or distribution of energy	2016	Duke Energy (US company)	M&A	100%
China Three Gorges Corporation	0.345	Generation, transmission, and/or distribution of energy	2018	Rio Paraná (Brazil) and others	Consolidation of previous FDI	100%
China State Grid Corporation	1.7	Generation, transmission, and/or distribution of energy	2010	Plena Transmissoras (Brazilian company)	M&A	100%
China State Grid Corporation	2.1	Generation, transmission, and/or distribution of energy	2015	None	Greenfield Investment	–
China State Grid Corporation	4.1	Generation, transmission, and/or distribution of energy	2016	CPFL Energia (Brazilian company)	M&A	55%
China State Grid Corporation	4.8	Generation, transmission, and/or distribution of energy	2017–2018	Xingu Rio Transmissora de Energia (Belo Monte Dam)[a]	M&A	100%
China State Grid Corporation	0.748	Generation, transmission, and/or distribution of energy	2017–2018	Paranaíta Transmissora de Energia	M&A	100%

[a]This project is particularly noticeable, since it extends through 5 of Brazil's 27 federative states (similar to Chinese provinces), with distribution lines covering 2500 kilometers

Source: Author's elaboration based on information found in CEBC (2016, 2017, 2018, 2019, 2021)

Federative states and operating 19 fully functional energy stations (State Grid Brazil Holding, 2020).

Important cities in Brazil, such as the capital, Brasília, Rio de Janeiro, and the economic center of the country, São Paulo, are already covered with 12,500 kilometers of power transmission lines made by SGBH. The company operates more than 14,000 kilometers in transmission lines, which is equivalent to 10% of the total in the Brazilian territory (State Grid Brazil Holding, 2018). The map below shows all the operations of SGBH (Fig. 14.2):

We will now focus on two study cases: (1) the acquisition of the Company of Power and Electricity of São Paulo (CPFL) and (2) the projects of expansion of the transmission lines of the Belo Monte Dam, which is currently the biggest investment of State Grid Brazil Holding.

State Grid's Investments in Brazil: The Study Cases of the Acquisition of CPFL and the Belo Monte Transmission Lines

In January 2017 State Grid acquired the CPFL, which was the largest private company operating in the energy sector in Brazil, with revenues only second to the Brazilian state-owned Eletrobras and Cemig, mostly owned by the province of Minas Gerais. The transaction amounted to US$4.1 billion, giving access to 54.64% of CPFL ownership to State Grid (CEBC, 2018).

This is a landmark investment that consolidates State Grid's position in the Brazil energy market, considering that the company exists for more than 100 years and provides services to 686 municipalities mainly in the South and Southeastern provinces of Brazil, namely: São Paulo, Minas Gerais, Paraná, and Rio Grande do Sul, providing services to 9.6 million clients. In November of 2017, State Grid acquired more shares of CPFL, now owning 94.75% of the social capital of the holding (CPFL, 2020).

It is currently the third biggest energy generator company of Brazil, accounting for 15% of the national market distribution of energy. The company boasts 3.3 GW of installed energy generation capacity, of which 95.6% being generated through renewable sources, encompassing solar, wind, hydropower, and biomass (CPFL Energy, 2020).

The importance of this case consists in showing how the globalization of the Chinese economy, which has intensified since the launching of the

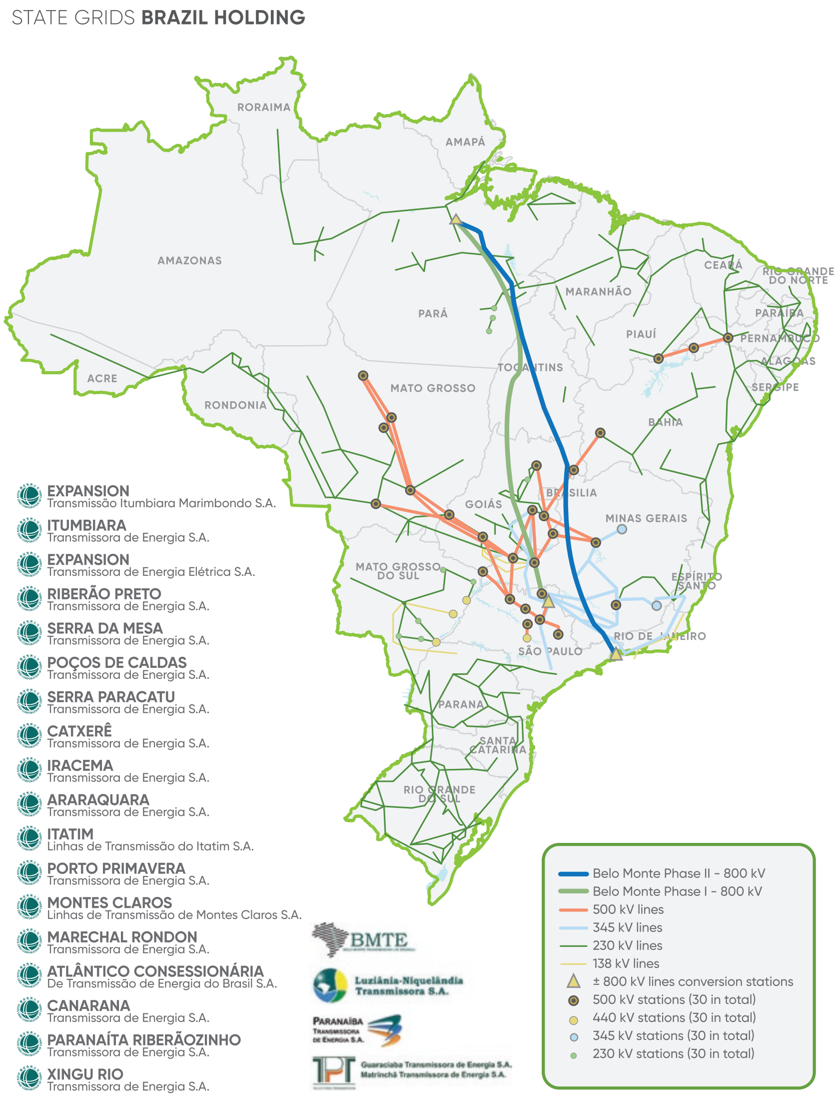

Fig. 14.2 State Grid Brazil Holding S.A. Source: SGBH (2019)

Going Global strategy in 2001 and currently with the BRI, has contributed to an increased position of its companies abroad, forming new partnerships and acquiring assets in emerging markets.

The map below summarizes the location of CPFL's assets, operations, and its partners in Brazil (Fig. 14.3).

The Belo Monte Dam

It is in the Northern province of Brazil named Pará, started being constructed in 2010, with an estimated cost of US$6.5 billion. Up to 2019, more than US$10 billion had already been invested. Located in the Xingu River, near the municipality of Altamira in the North of Pará, the installed capacity of the Dam is expected to reach 11.233 megawatts, being the third-largest hydropower plant in the world. The Chinese power plant Three Gorges is currently the largest, with a capacity to generate 20.300 megawatts, being followed by the Brazilian/Paraguayan Itaipu, which has a capacity to generate 14.000 megawatts (Ellis, 2017, pp. 144–145).

The main reservoir of the power plant has 478 square kilometers and the first turbine of the plant has begun its operations in 2016. The construction of the dam had been 96% ready since the end of 2017 and 12 of its 24 turbines are already active. The consortium that won the bidding is mostly composed of SOEs, seeing that the participation of private companies amounts to less than 12.5% of the total ownership composition (Public Agency of Investigation and Journalism, 2019).

The public auction for the construction of Belo Monte Dam has been won by the North Energy consortium. Initially composed of 9 companies, the consortium has now expanded to 11 members. In 2019, the construction of the Belo Monte dam was completed, with a ceremony that included the presence of President Jair Bolsonaro (El País, 2019). The map below shows more details about the location of the Dam (Fig. 14.4):

The Chinese company State Grid won in February 2014 the bid for the construction of a transmission line that would connect the Belo Monte Hydropower plant to the Southeast of Brazil. The first transmission line will have more than 2.100 kilometers and will pass through four Brazilian states, namely: Pará, Tocantins, Goiás, and Minas Gerais (CEBC, 2019). The line begins at the Xingu substation, 17 kilometers away from the Belo Monte Dam, reaching a substation in the State of Minas Gerais, in the Southeast region of the country.

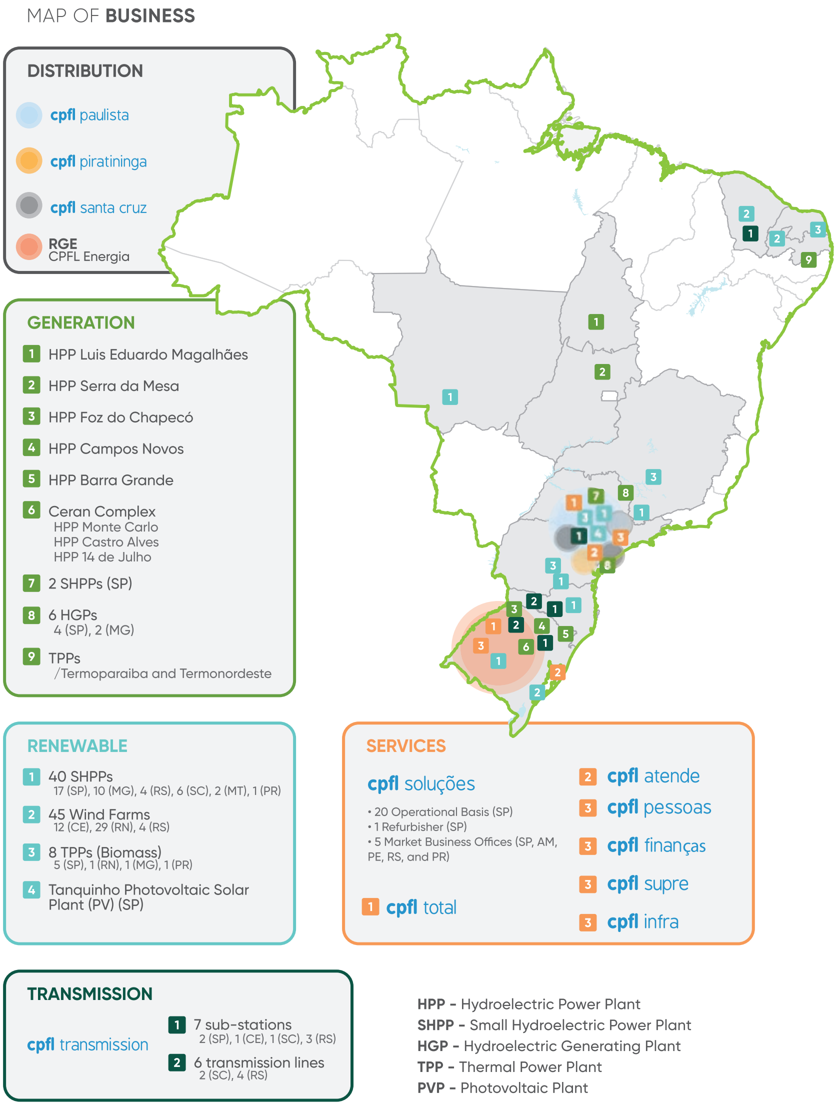

Fig. 14.3 Map of business. Source: CPFL Energy (2019)

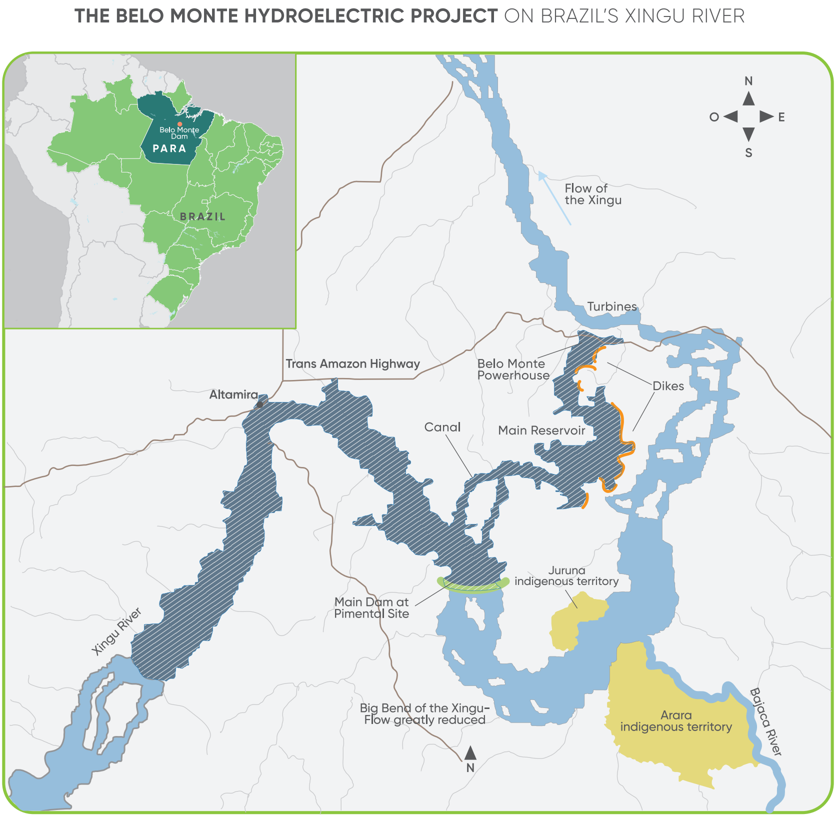

Fig. 14.4 The geographic localization of the Belo Monte Dam. Source: International Rivers Organization (2018)

Belo Monte passes through three municipalities in Northern Brazil, namely: Vitória do Xingu, Brasil Novo, and Altamira. The main reservoir is located at Sitio Belo Monte, near a village which has the same name. The project of the transmission line will be done in a partnership with Furnas (24.5%) and Eletronorte/Eletrobras (24.5%), Brazilian companies with a mixed capital structure, being partially owned by the state. Meanwhile, State Grid detains most of the capital involved in the project (51%) (CEBC, 2019).

In 2015, State Grid won the bidding for a second transmission line, with an estimated investment reaching US$1.2 billion. This second transmission line extends through 2.550 kilometers, going from the Xingu River in Pará through the states of Tocantins, Goiás, Minas Gerais, and Rio de Janeiro (CEBC, 2019).

To analyze the Project of the transmission lines it is imperative to understand the Belo Monte Hydropower Project itself and all the implications involved in its construction. The first studies of feasibility date back to the 1970s and 1980s, being conducted by Brazilian State agencies. Throughout the 1980s, autochtone tribes and environmentalists started protesting the Belo Monte Power Plant project, even counting on the support of North American artists and media.

In 1994, a new project for the construction of the Belo Monte Dam was presented, aiming at pleasing not only investors, but also environmentalists, foreseeing the protection of local communities in the region. Toward the end of the 1990s, Brazil faced energy shortages due to lacking infrastructure, with production lagging behind the growing demand coming from the rising urbanization. Hence, in 2001 President Fernando Henrique Cardoso presented an emergency plan of R$30 billion to finance 15 power plants throughout Brazil, including the Belo Monte Dam (Goldenberg & Prado, 2003).

In 2002 Luiz Inácio Lula da Silva becomes president of Brazil, launching a White paper called: "The Place of Amazonia in the Development of Brazil". In that document, he criticized the infrastructure projects within the Amazonian region due to environmental impacts, including the Belo Monte Project, which was officially suspended in 2006. In this period, representatives of autochtone communities were called to present their pleas at the National Congress (Fleury & Almeida, 2013).

From 2007 onward the Project faced backlashes from environmentalists and other sectors of civil society, including many judicial proceedings. In the meantime, Brazilian construction companies such as Andrade Gutierrez, Camargo Corrêa, and Odebrecht started conducting new studies on feasibility (Fleury & Almeida, 2013).

In 2010, the public bid for the construction of Belo Monte was conducted, during the first mandate of Dilma Rousseff (2010–2014), and the company Consórcio Norte Energia S.A. won the bidding and the constructions began. It wasn't until February 2016 that the first turbine of the power plant became operational and it was officially inaugurated in May of the same year (Fainguelernt, 2016).

However, the project would face more than 15 judicial proceedings as to the economic feasibility and the social and environmental impacts of the Dam. The protesters affirmed that the construction was not only displacing local communities but that it could also pose risks to the environment. During that time the protests have generated big repercussions in Brazilian and foreign media outlets (Fainguelernt, 2016). The map below shows the indigenous reserves that are close to the territory of Belo Monte Dam.

Lower water levels in the Xingu River in 2019 have been posing structural risks in some parts of the newly constructed dam. The government is faced with a dilemma between building additional reservoirs upstream of the river, to assure adequate water supply or risk further structural degradation and possible environmental disasters. The firm Consorcio Norte Energia S.A., which has built the hydropower plant, affirms that errors in the Project might severely endanger not only the livelihood of the river, but also the long-term durability of the reservoirs (El País, 2019).

On October 25, 2019, President Xi Jinping and Brazilian counterpart Jair Bolsonaro signed the deal for the Phase II of Brazilian Belo Monte Hydropower ±800 kV UHV DC Transmission Project. The Project consists of a 30 years concession of operations of the transmission line for State Grid and amounts to a total investment of approximately US$2 billion. The transmission lines amount to 2.539 km, making it the longest in the world, connecting the energy grids of the Southeast and the North of Brazil (CEBC, 2019).

Combined with the phase one of the project, it would be possible to transfer energy from the Amazonian region to the Southeast region, which is the most important economic region in the country. For China, this represents the consolidation of another Belt and Road landmark.

Bolsonaro's Relationship with China

Guimarães and Silva (2021) depict Bolsonaro's perception of China as "highly controversial". The authors affirm: "For him, China is one of Brazil's most important ideological rivals". As a presidential candidate, Bolsonaro visited Taiwan (Exame, 2018), a gesture that was both pleasant to the US and generated dread among Chinese officials. The Chinese Embassy in Brazil expressed that the visit violated the principle of "One China policy" and that any candidate should be careful in choosing their foreign allies (Exame, 2018).

Moreover, in October 2018, Bolsonaro, still a candidate for the Presidency, took the national press' attention by declaring: "China does not buy in Brazil, China is buying Brazil" (BBC, 2019), referring to China's mergers and acquisitions. According to Vazquez (2019):

> After taking office, the president is immediately pressured by the agribusiness lobby and by industry confederations. He realizes that almost 28% of Brazilian's exports go to China. And he realizes that not doing business with the Chinese in 2019 is inconceivable for any country. (Vazquez in BBC, 2019)

Two key political leaders from Brazil, the Vice President General Hamilton Mourão and Tereza Cristina, Minister of Agriculture, are the ones building bridges with China despite the hostility of Bolsonaro toward Beijing. These examples show how the economic diplomacy of China has operated to revert Bolsonaro's foreign policy of direct alignment with the US.

Bolsonaro's nationalist statements against China were based on reinforcing a new kind of far-right populism, ultra-conservatism (Guimarães & Silva, 2021), while on the other hand, Iamamoto et al. (2021) describe it as "neoliberal nationalism". In doing so, Bolsonaro is promoting privatizations and ideological alignment with the US. However, at the same time, his government is highly conditioned by its economic dependence on China.

Bolsonaro aimed to privatize Electrobras, the major energy company in Brazil, Correios (the national mailing company), and the Port of Santos (located in São Paulo) (Globo, 2022). These projects have not yet been approved. The interesting point is that if Brazil advances in privatization there is a huge chance that Chinese state companies will be the buyers of the current state-owned Brazilian companies, as was seen in the study case of CPFL, which seems to be a paradox considering his neoliberal nationalist position.

Conclusions

Jair Bolsonaro (2019–2022) has come into office with a marked anti-China rhetoric recorded from his electoral campaign. His administration initially tried to look to the US for support, aiming to improve bilateral relations. The US had been Brazil's main trading partner between 1930 and 2009, when it has been replaced by China, a fact which is very sensitive for right-wing sectors of Brazilian Society.

The US did not reciprocate Bolsonaro's gestures, because it perceives Latin America as one of its zones of influence. Furthermore, the Covid-19 pandemic, which hit the Brazilian economy very hard in 2020, showed the structural limits of trying to pursue a foreign policy that tried to exclude the world's second biggest economy from its strategic considerations.

Brazil's deindustrialization in the last two decades has left the country highly dependent on Chinese goods during the pandemic, such as masks, medical equipments, vaccine inputs, and general supplies. Brazil's dependence on Chinese demand for soybeans, crude petroleum, and iron ore[1] further contributed to this situation which increases China's overall influence in the country.

The cases analyzed demonstrate that the strategy of Chinese firms for entering the Brazilian market has been marked both by large acquisition of existing companies and more recently by establishing partnerships with local firms through greenfield investments in large-scale infrastructure projects.

State Grid is one of the landmark cases for analyzing China's economic diplomacy in Latin America, considering the importance of the energy sector for Chinese investments in the region under the Belt and Road Initiative. Given Brazil's potential in the energy sector and the size of its market, it becomes an important destination for Chinese firms that are looking for profitable opportunities abroad.

Countries such as Brazil need to form a long-term development strategy to develop capabilities in science, technology, and industrial capacity. Science and technology investments, as well as industrial policies, are needed in order to diversify Brazilian production and exports and move upward in global value chains.

The energy sector, and especially renewable energy, is an area in which Brazil has a certain degree of expertise and competitiveness and presents opportunities for cooperation with China under the BRI. It is imperative that Brazil finds ways of promoting the exchange of technological capabilities in its cooperation with China, including the country in a broader long-term strategy for the future, otherwise it would be reproducing a well-known asymmetric path of dependency on a major power, instead of taking the reins of its own economic development.

[1] These products combined account for more than 78% of Brazil's exports to China in terms of value (OEC- MIT, 2021).

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CHAPTER 15

A Tale of Two Approaches: Australia, Papua New Guinea, and the Belt and Road Initiative

Binoy Kampmark

Introduction

The geopolitical and strategic dimension of China's Belt and Road Initiative (BRI) has been of particular interest and concern to countries in the Asia-Pacific region. In the words of Zhao Xijun, the Deputy Dean of Renmin University's School of Finance, "The One Belt and One Road initiative is a long-term macroscopic program of strategic development for the entire State" (Xijun, 2014). Approaches from countries in the region have been far from uniform, reflecting their specific understanding of the value, and the potential threat, posed by such an expansive effort.

Australia and Papua New Guinea provide a story of striking contrasts in their response to the BRI and the advent of Chinese power in the region. The Australian attitude has been one of wariness and concern, particularly in instances where agreements have been reached by state governments

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with Chinese institutions and arms of government. Ever aligned with the security interests of the United States, Australian policy in the field has been increasingly coloured by regional anxiety and keenness for more extensive US engagement, despite China being the country's dominant trading partner.[1] Its own status as a regional donor state and political actor is also being challenged. The increasingly frosty nature of Canberra-Beijing relations has further added to such concerns.

Papua New Guinea's response to the BRI has been a heady mix of overt participation, enthusiastic endorsement, and deft qualification. Seeing a chance to partake in the infrastructure and financing promises from Beijing, projects have been proposed and some implemented. But Port Moresby has not been above caution and slyness in developing a relationship that has had its difficulties, defying the traditional stereotypes of encumbered indebtedness associated with BRI relationships (Brautigam & Rithmire, 2021). Having been a recipient of Australian aid for decades, and mindful of exploiting Canberra's anxieties of Chinese influence in the region, the PNG government finds itself able to seek Australian funding to prop up tardy responses where Beijing proves unforthcoming with financing. It can be argued here that PNG represents an approach that potentially exploits old ties with traditional regional powers (in this case Australia and its security ties with the United States) while taking advantage of China and its own regional interests.

The following discussion considers, firstly, the more accommodating, enthusiastic approach from PNG towards the BRI. The ambivalent Australian response is then examined. Necessary to that discussion is a consideration of local developments and reactions within the Australian Commonwealth, such as the cancellation of agreements made between the Australian states and Chinese entities by the central government. The third part of the discussion considers Canberra's concerns with Port Moresby's handling of the BRI-China relationship, which is seen as a potential threat to Australian regional influence. The chapter concludes by suggesting that the BRI is seen as a challenge to the traditional power architecture while providing development and infrastructure

[1] The latest example of this is the AUKUS security pact between Australia, the United States, and the United Kingdom: The White House (2021) Joint Leaders Statement on AUKUS, 15 September, https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/

opportunities for certain countries within the Asia-Pacific region. Proposed US-led alternatives, of which Australia is a part, cannot be seen as genuine challenges.

Papua New Guinea's Approach

In November 2018, President Xi visited Port Moresby, with the two countries launching their Comprehensive Strategic Partnership. Melanesia, at least till that point, had featured in a more "peripheral" way in Chinese foreign policy, coming distant in terms of importance to Africa and South America (Connolly, 2020, p. 49; Yang, 2011). During a visit to Beijing in June 2018, PNG's Prime Minister Peter O'Neill sought, as a matter of urgency, assistance, and resources for hosting the APEC 2018 meeting in Port Moresby being held later that year. Xi obliged, tasking the China Harbour Engineering Company (CHEC) with the responsibility of building 10 km of four-lane road and APEC Haus in a mere 200 days (Connolly, 2020, p. 50).

APEC 2018 sharply illustrated attitudes to the BRI. There was openly hostile disagreement between China and the United States on the purposes of the programme. President Xi insisted that the BRI was an expansive tent, neither exclusive to members nor "a trap, as some people have labelled it" (Banyan, 2018). US Vice-President Mike Pence offered what he considered a more plausible view, favouring a "free and open Indo-Pacific" that eschewed bonds and indebtedness. Washington did not favour drowning partners "in a sea of debt" (Banyan, 2018). Building on this dark aqueous analogy, Pence insisted that the United States did not "coerce or compromise your independence… We do not offer a constricting belt or a one-way road." Such a clash offered a perfect backdrop to policies and approaches of countries in Melanesia. At the very least, PNG capitalised on the attention, receiving joint undertakings from the United States, Australia, and Japan to supply 70% of the country's homes with electricity by 2030 (Banyan, 2018).

In April the following year, O'Neill expressed hearty approval for the BRI in remarks made at a meeting with Xi on his visit to Beijing. "The Belt and Road Initiative put forward by President Xi Jinping is a major contribution to the international community and brings important opportunities for the Pacific Island countries so that we can turn resource advantages into development results" (Ministry of Foreign Affairs of the People's Republic of China, 2019).

In August of that year, the current Prime Minister James Marape demonstrated how closely his country had warmed to the Initiative by asking China via Ambassador Xue Bing for assistance in refinancing the country's 27 billion kina ($11.8 billion) national debt. The request involved a daring, if risky, suggestion: that PNG's central bank would work directly with the People's Bank of China "in ensuring that consultations are underway" (Packham, 2019). For critics, this did not seem to tally with his exuberant wishes to make PNG "the richest black Christian nation on Earth" (Callick, 2020). Marape subsequently qualified his remarks by insisting that Beijing was not the exclusive port of call for the request. There would be "no more unnecessary loans except to refinance our expensive loans and for key enabling economic infrastructure" (Packham, 2019).

The following November, Australia stepped into the fray in granting a loan worth AU$440 million, despite Marape's wishes to move PNG away from the "aid-donor" relationship with Canberra (Kemish, 2020). The Australian Finance Minister Mathias Cormann denied that this move was done to discourage PNG from chasing up Beijing's promise of a loan, though he was unreserved in promoting the value of the Australian contribution. "We're providing a loan which will help Papua New Guinea through some transitional issues, as they are pursuing economic and fiscal reforms that will help put them in a stronger and more sustainable fiscal and economic trajectory for the future" (Clarke, 2019).

Other ministers within the PNG administration have explicitly voiced their approval of the BRI.

PNG Foreign Minister Patrick Pruaitch made no secret of his interest in the role the BRI could play in the country's development, envisaging it to be monumental in its potential contributions. In June 2020, he claimed in a video conference on the initiative that it was "every Papua New Guinean's dream to have our country connected from east to west and north to south by railway, which I see happening through the BRI program" (Callick, 2020). The endorsement of the BRI has also come with an open sympathy for several of Beijing's policy positions, be it opposition to politicising the origins of the SARS-CoV-2 virus, deeper bilateral communication and coordination in international and regional organisation, and the One China policy (Ministry of Foreign Affairs of the People's Republic of China, 2020).

Despite such endorsements, attitudes towards the PRC's broader agenda within the country should not be seen monolithically. Port Moresby has adopted a nuanced, even cunning strategy to counter claims of debt-trap diplomacy. With Huawei's construction of a National Data Centre at the cost of $53 million funded by a loan from the Export-Import Bank of China, the PNG government decided to withhold repayments. The reason: China had allegedly used its data centre to spy on PNG officials, thereby compromising the spirit of the agreement. "If you buy something from a shop and it does not work," stated Timothy Masiu, Minister for Communications, and Information Technology, "you return it and get your money back" (Grigg, 2020).

Concerns about the infrastructure defects of the centre were also expressed in an investigation ordered by the PNG government in 2019, suggesting a degree of guile on the part of Port Moresby. The effort was funded by the Australian Department of Foreign Affairs and Trade, itself a suggestion of a certain power play at hand. It found "with high confidence that data flows could be easily intercepted" by the data centre. Remote access was not detectable "by security settings" as the main switches were not behind the firewalls (Grigg, 2020a). All in all, the centre itself utilised encryption software of a dated nature with inadequate firewall settings.

In PNG, the firm binary between Chinese influence in the Pacific and the role played by Australia, the historical dominant donor power, has been rejected. Papua New Guinean politician Dame Meg Taylor repudiates "the terms of the dilemma in which the Pacific is given a choice between a 'China alternative' and our traditional partners" (Taylor, 2019). Speaking for the Pacific Islands Forum and its Secretariat, she insisted that a "staunchly pro-Blue Pacific" position be taken. "A 'friends to all approach' is commonly accepted, while some have made a more formal commitment to this principle through their non-aligned status." When considering relations with China, the word that came to mind was "access": to markets, technology, financing, and infrastructure. Forum Island countries saw such Chinese involvement as a chance to engage in a globalised world replete with its opportunities in financing, technology and infrastructure. The BRI merited "careful analysis and discussion, particularly given that nine Forum member countries have already signed bilateral memoranda of understanding with China on the BRI" (Taylor, 2019).

In 2018, Taylor suggested a more polished adaption of the BRI initiative for the Pacific Islands, advocating "the Belt and Seaways Initiative." She also wished to distinguish the Pacific Island situation more broadly with such salutary lessons of debt traps as Sri Lanka. "[M]any of the large infrastructure projects in the region are with development partners (including China) and the large financial institutions of our region" (Taylor, 2018). Lessons, in other words, are being learned.

This view has merit. Studies considering the conduct of Chinese banks suggest a flexibility in adjusting loan terms, in contrast to the commonly promoted image of uncompromising and demanding creditors (Acker et al., 2020). Beijing, according to Song Wei, a major voice on China-African finance issues, is adopting a bilateral approach. "If any debtors encounter difficulties to pay time," he writes, "there may be tailored plans including rescheduling … adding grants to help bring projects back to life, conducting debt-equity swaps, or hiring Chinese firms to assist operations" (Wei, 2020). Such entities are not in the habit, as is often assumed, of seizing or appropriating country assets in compensation for deals gone wrong. "China and other countries," write Brautigam and Rithmire (2021), "are becoming more sophisticated in bargaining with one another." In nudging fashion, they also suggest that "it would be a shame if the US fails to learn alongside them."

Australia: Suspicion and Opposition

Australia's response to the BRI has been resoundingly ambivalent. Officially, a stance of neutrality has been endorsed, suggesting that Beijing's infrastructure enterprise does not, in itself, pose a threat. In 2019, Prime Minister Scott Morrison stated that the BRI was "China's initiative and doesn't require Australia to endorse that initiative." It was a "sovereign choice" by Beijing. "We have a neutral position on that. We don't sign up to it. We don't participate in it—that's the position of the Australian government" (Sales, 2019).

Such a position must be seen as coy at best. Australian strategists and policymakers have been filled with dread about the tentacled spread of the BRI through the Indo- and Asia-Pacific, seeing the Pacific as an area to be incorporated into the "rules-based global order" as articulated by Western powers (Australian Government, 2017). Rowan Callick, former correspondent for *The Australian*, reflects this attitude by seeing the BRI in unvarnished power-strategic terms. Beijing is "transitioning towards becoming a global player, with Xi's Belt and Road Initiative—wrapping itself now not merely around the Silk Road from Asia to Europe but around the globe—at the core" (Callick, 2019, p. 2). For Callick, the PRC may well have made Australia rich by consuming its exports, but it also posed "an almost existential challenge to its values, alliances and interests—and thus its identity" (Callick, 2019, p. 1). It is precisely such views that have received withering criticism from Australian voices more sympathetic to the aims of Chinese foreign policy, including former Australian Prime Minister Paul Keating, who regards such fears as "demented" (Keating, 2022).

To this can be added the increasingly fractious nature of a relationship that has worsened over the years, culminating in the freezing of diplomatic contact between the offices of Beijing and Canberra and the elevating of the "China threat" in Australian political discourse. To that end, a more finessed appraisal of Beijing's flagship initiative was offered by Elly Lawson, First Assistant Secretary of the East Asia Division in the Department of Trade and Foreign Affairs (DFAT): "we would support projects which were of commercial merit and had the right transparency and other standards in place and that happen to be BRI projects, but we don't support the BRI platform." To do so meant that commercial arrangements which so happened to be BRI arrangements might be facilitated (Lawson, 2021 p. 111). Though this reflected a hardening of relations, a similar standpoint was advanced a few years prior during a visit by DFAT Secretary Frances Adamson in attendance of the second Belt and Road Forum. "Australia wanted to strengthen engagement with China on projects that align with international standards of governance, transparency and debt sustainability" (Adamson, 2019).

This severe approach is remarkable given what happened a mere half-decade before. In 2014, despite the tensions that had surfaced during the initial stages of the Abbott government with Beijing, the countries concluded their own Comprehensive Strategic Partnership that was roundly praised (Tingle, 2014; Walker, 2014). In April 2014, Prime Minister Tony Abbott embraced hard-headed "economic diplomacy," claiming that Australia was "open for business" and emphasised the importance of "peace and understanding based on international law and mutual respect." The relationship with China was extolled for its importance; a delegation of 600 picked leaders representing Australian business, bureaucracy, and politics kept company with Abbott on his trip to China that year (Bourke, 2014). The China-Australia Free Trade Agreement duly followed in June 2015.

Commercial opportunities through the BRI initiative were considered, with lobbying taking place through the efforts of such entities as the Australia-China Belt and Road Initiative Company. Its founder, Jean Dong, proved industrious in securing support from various Australian political stalwarts, such as businessperson Malcolm Broomhead and Trade Minister Andrew Robb "to travel to China to look at commercial opportunities that might arise through the BRI project" (Clifton, 2021 p. 12).

The souring of the Canberra-Beijing relationship has been characterised by the imposition of tariffs by Beijing and restrictions on a number of Australian exports, including beef, barley, cotton, lamb, seafood, sugar, wine, and natural resources. From the PRC, Canberra has faced acts of cyber-espionage and alleged interference in Australia's political system (Varano, 2021). Beijing has also taken issue with a range of Australian government measures, including the banning of ZTE and Huawei from building the 5G network in Australia, Canberra's bullishness in calling for an independent inquiry into the origins of SARS-CoV-2, the PRC's stance on the South China Sea and open navigation, human rights criticisms associated with Hong Kong and Xinjiang province, and the perennial issue of Taiwan's status. In this, the BRI has become a direct target of Australian government policy.

Within Australia, the response to the BRI has tended to be complex and discordant (Collinson, 2019). There has been a sharp divergence at various government levels and individuals in the private sector. Notable business figures such as Warwick Smith, himself a former minister, have insisted that Australia "get some of the commercial opportunities from Xi Jinping's grand vision to recreate the old Silk Road trade routes" (Korporaal, 2019). Cautious voices in the agricultural sector have expressed the view that if Australia did not find itself "at the table, it will be on the menu" (Brammer, 2019, p. 51), while Kevin Rudd, former Australian Prime Minister, fluent in Mandarin and himself a touted expert on China, insists on "engaging our Chinese friends on the future of the Belt and Road Initiative, as opposed to simply demonising it as a definition of ideological evil" (Rudd, 2019).

The Commonwealth has found itself in disagreement with certain states in their accommodating dispositions to the initiative. At the Commonwealth level, Australian lawmakers went as far as to implement foreign interference legislation in 2020 leaving the Commonwealth the main arbiter in determining the standing of agreements made with foreign countries, including those by state and territory governments, local councils, and public universities. Under *Australia's Foreign Relations (State and Territory Arrangements) Act 2020*, the relevant parties would have to inform the Foreign Affairs Minister of any existing and proposed foreign arrangements. The Act grants the minister powers to prohibit government entities from negotiating or entering into agreements with certain foreign entities that fall within the remit of the legislation. It also enables the declaration of invalidity, unenforceability, inoperability, or variation or termination of such arrangements if they are deemed inconsistent with Australia's foreign policies or arrangements that adversely affect Australia's foreign relations.

The BRI was bound to face scrutiny, notably the China-Victoria memorandum of understanding and framework agreement, both making reference to promoting "practical cooperation" of Chinese firms in Victorian infrastructure while reciprocally giving Victorian firms a foothold in "China and third party markets."[2] These were never legally binding documents, with the MOU clearly stating that it did not "create legal relations or constitute a legally binding contractual agreement between the parties" (Article 5(5)).

Soon after the passage of the new laws, the respective agreements between the Victorian government and Beijing were scrapped. The nullification of two BRI agreements by the Australian Foreign Minister Marise Payne was deemed a necessary action. In the words of the senator, the agreements were "inconsistent with Australia's foreign policy or averse to our foreign relations" (Payne, 2021). Details for such a refusal were not supplied, though the Foreign Minister insisted that the measures had not been "aimed at any one country." Australia remained "absolutely committed to our continuing engagement with China" (9News Staff, 2021).

The Chinese embassy in Canberra thought otherwise, expressing a "strong displeasure and resolute opposition to the Australian Foreign Minister's announcement on April 21 to cancel the Memorandum of Understanding on Cooperation within the Framework of the Belt and Road Initiative and the related Framework Agreement between the Chinese side and Government of Victoria." In calling the decision "unreasonable and provocative," the embassy warned that this was "bound to

[2] Memorandum of Understanding between the Government of the State of Victoria of Australia and the National Development and Reform Commission of the People's Republic of China on Cooperation within the Framework of the Silk Road Economic Belt and the twenty-first-century Maritime Silk Road Initiative, 8 October, 2018, available at: https://www.documentcloud.org/documents/5063777-BRI-MOU.html; Framework Agreement between the Government of Victoria and the National Development and Reform Commission of the People's Republic of China on Jointly Promoting the Framework of the Silk Road Economic Belt and the twenty-first-century Maritime Silk Road, 23 October, 2019, https://www.vic.gov.au/bri-framework#download-the-framework-agreement.

bring further damage to bilateral relations, and will only end up hurting" Australia (Embassy of the People's Republic of China in the Commonwealth of Australia, 2021).

The Victorian Premier Daniel Andrews proved less troubled with the BRI arrangements his government had made with Chinese entities. "We have a relationship with China I think is very important," he stated at the time. "What I support is Victorian jobs." Never, he said, had there "been more Victorian made product sent to China, exported to China, sold to China today, than at any point in this state's history" (Durkin, 2021). His negotiating strategy, however, worried officials in the Department of Trade and Foreign Affairs who resented being side-lined by the premier in the making of the second BRI agreement. An advanced draft of the document was never seen, with the last version viewed the day it was signed. According to a spokesperson, "Victoria advised the department of the framework agreement on the day it was signed and announced" (Galloway, 2020).

The Canberra-based Australian Strategic Policy Institute (ASPI), funded, in part, by US government sources including the US State Department, had also taken issue with Victoria's unilateral approach towards the BRI. Executive director Peter Jennings did not shy away from accusing Premier Andrews of being "flagrantly reckless" in embarking on a policy that undermined "a bipartisan Australian foreign policy position." Andrews had ignored "federal leadership in this area, which is mandated by the constitution" (Galloway, 2020). Jennings entertained a nightmare: Chinese success in increasing dependency of developing states on Beijing and the prospect that Australian companies might be unwitting participants in the enterprise. The influence of the PRC would thereby be expanded at the expense of Australia.

Australia's policy in blunting Chinese infrastructure and construction initiatives more broadly has come in the form of its own Pacific "Step-Up" programme, announced in November 2018. In doing so, Prime Minister Morrison praised Australia's various efforts to promote regional prosperity. "From our Seasonal Workers Programme and Pacific Labour Scheme to the support for Lombrum Naval Base and new Pacific Patrol Boats, we are delivering outcomes for a secure and prosperous Pacific region" (Australian Government, 2018). Morrison promised that Australia would "enhance" its security cooperation with Pacific neighbours, establish a new Australian Defence Force (ADF) Pacific Mobile Training Team, and establish the Australian Financial Infrastructure Financing Facility for the

Pacific to the sum of $2 billion. An additional $1 billion in the form of callable capital would be delivered to Australia's export financing agency, Efic (Australian Government, 2018).

To this can also be added joint efforts involving Australia in blunting the appeal of the BRI by participating in such schemes as the Washington-led Blue Dot Initiative, and the Build Back Better World (B3W) initiative (McCawley, 2019; White House, 2021). These alternatives fashion their appeal on transparency, sustainability, and developmental impact, but have done little to convince commentators and policy makers about their substantive worth. Questions remain about certification and funding (Kuo, 2020), while the sheer scale of Beijing's effort remains unchallenged.

Wariness Towards PNG-China Relations

Paradoxically, the approach from Australia towards BRI initiatives in PNG has veered between seeing Chinese influence as either threatening or unduly exaggerated in effectiveness. Robert Potter, former ministerial advisor in the Australian government, while warning about China's funding tactics as part of its BRI programme, admits that a more complex picture has developed. China might offer funding opportunities to PNG in the form of, say, promises to fund fibre optic connections, 4G towers, and data centres. In doing so, the PNG government has been left owing China's Exim Bank $470 million for the NBN1 3/4G project and the Kumul undersea cable (Potter, 2021). Such circumstances have tended to present the government in Port Moresby with chances to exploit its old relationship with Canberra.

But Peter Jennings of ASPI sees things in more stark terms. "Frankly, PNG is of immense strategic importance to us. We saw that in World War II. It is the first buffer of any big strategic threat that might develop for Australia" (Packham, 2019). Promises from Beijing of mass-development projects in PNG have received either sceptical dismissals in terms of their worth or fearful warnings about their undermining potential. The undertaking by Hong Kong-registered firm WYW Holding Ltd to build a $30 billion city complete with seaport, industrial area, and business and commercial zone on Daru Island was dismissed by *The Diplomat* as unlikely to ever eventuate (Strangio, 2021). The original proposal entailed a 100-square-kilometre "New Daru City" as part of the company's plan to develop several areas of PNG's Western Province. It would have eclipsed PNG's 2019 GDP ($24.83 billion) in terms of value and faced various local problems: the presence of stubbornly drug-resistant tuberculosis; the absence of clean water; and the difficulties of negotiating land transfer agreements. "If China built a city on Daru it would be a huge strategic problem for Australia," observed Lauren Béldi of the ABC. "But China would probably have a better shot at literally building an island from scratch than going ahead with the project on Daru" (Strangio, 2021).

Similar concerns arose with the signed Memorandum of Understanding between PNG's fisheries minister, governor of Western Province and China made in 2020 to build a "comprehensive multi-functional fishery industrial park" on Daru Island. The MOU between Fujian Zhonghong Fishery and the PNG government was valued at $204 million (Faa, 2020). ASPI expressed its worry that Beijing was "increasing its efforts to undermine [Canberra's] influence in Papua New Guinea." With its intended location on Daru Island, "the closest PNG community to Australia and only 200 kilometres from the Australian mainland," the development would "throw Australia off balance" and deplete local fish stocks (Bergin & Wall, 2020).

Conclusion

China's BRI has presented momentous challenges to those seeking its advertised rewards and more sceptical parties who see it as a geopolitical threat to their interests. Approaches vary in complexity and nuance, much of this situational and geographical. The Asia- and Indo-Pacific theatre illustrates these approaches starkly. PNG has been explicit in embracing it, with conditions and adjustments specific to its background and interests. Despite claims to neutrality, the BRI is seen by Australia as a threat to its regional standing and position as Asia-Pacific donor state and Washington's security deputy in the Asia- and Indo-Pacific. This did not stop state governments in the country from seeking to make use of the programme, assuming that such arrangements were benign enough. But Canberra's response has been dramatic, cancelling such internal agreements as a potential threat to national security.

A middle route has been charted by Port Moresby. Guile in its policy towards the BRI has been shown, shoring up its old relationship with Canberra to compensate for any pitfalls that might arise from Beijing's promises. The PNG approach also shows how Chinese institutions associated with the BRI have demonstrated a greater subtlety in approaching states seeking to participate. Debt trap publicity and accusations of ruthless creditor behaviour have not manifested themselves. This model of engagement may well become a pattern in due course in Melanesia. Australia, in contrast, will pursue a countering policy shaped by its relationship with Washington, promising a weaker version of infrastructure investment. The one true beneficiary, able to exploit Canberra's fears and Beijing's interests, will be Port Moresby.

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CHAPTER 16

China's Agro-strategic Projection in Sub-Saharan Africa: The Case of the Installation of the Cameroon Agricultural Technology Application Center

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Introduction

It was in 2018 that Cameroon joined the ambition of the Chinese global project of the new silk roads. Ahead of the third summit of the China-Africa Cooperation Forum (FOCAC) held from September 3 to 4, 2018, in Beijing, China, and Cameroon signed a memorandum of understanding on China's Belt and Road Initiative on August 31, 2018, to[1] strengthen economic and cultural cooperation. If for Xi Jinping it was above all an

[1] https://www.prc.cm/actualites/deplacements-et-visites/3065-le-chef-de-l-etat-a-beijing-plaidoyer

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opportunity to affirm the entry into a new era of these relations (Delalande, 2018), for Paul Biya, the President of Cameroon, it was above all the opportunity to thank China for its "multiple donations, assistance and support" technical to development. In such a context, how to understand the reactions of Cameroonian workers and workers of the Cameroon Agricultural Technology Demonstration Center based in Bifogo (Nanga-Eboko) and its desertion by Cameroonian workers in 2019?

To answer this question, we conducted qualitative surveys and a study of discourses on the representations of Chinese action within the Cameroon Agricultural Technology Application Center (CATAC) in Bifogo, a small village located a few kilometers from Nanga-Eboko. The study consisted of conducting 4 CATAC surveys of 24 people through the channels of semi-structured interviews and focus groups. From these surveys, it is mainly apparent that this study highlights the points of view of several categories of actors including the counterpart directors of CATAC (Cameroonian and Chinese), a representative of Agricultural Research and Development Institute (ARDI) to CATAC, a representative of the Ministry of Agriculture and Rural Development (MINADER), and especially the local workers of CATAC.

Transnational Context of the CATAC Project in Cameroon

On March 26, 1971, Cameroon formalized its diplomatic relations with the People's Republic of China. Since 2013, these relations have taken a new direction with the insertion of the new Silk Roads in the government agenda of cooperation between the two states. Historically, China and Cameroon are countries that have undergone colonization and whose economies are characterized by the preponderance of agriculture. They engaged in "development diplomacy" (Manga Edimo, 2017) since 1955, especially since the Bandung conference whose goal was the socio-economic rapprochement of solidarity of the so-called third world countries (Mbabia, 2012). Specifically, bringing together close to, the Bandung conference aimed at political-economic independence through the collective planning of economic strategies for the development of the countries of the South. Moreover, this particular context has seen the emergence of agricultural demonstration centers as one of the important tools for the economic dynamic of China-Cameroon cooperation.

Sino-Cameroonian Needs in Terms of Agricultural Policies

China has a low rate of arable land (about 7% of the world's land surface according to Bochuan (2007).) For China, CATAC, like other agricultural demonstration centers in sub-Saharan Africa, is a strategic foreign policy tool, particularly in the agro-industrial sector since 2006. As a strategic tool of its foreign policy in Africa, agricultural demonstration centers in general and the one in Nanga-Eboko in particular have aimed to "modernize agricultural machinery" and solve problems related to food insecurity in Africa (Xinhua, 2006). In addition, the project was formalized in Beijing in 2006 at the first Forum on China-Africa Cooperation (FOCAC).

It is a country located in the Gulf of Guinea with a population of 25 million inhabitants (World Bank, 2018), and a GDP approaching 45 billion dollars in 2021 according to the International Monetary Fund (Firmin, 2021). The choice to set up CATAC in Nanga-Eboko seemed precisely to respond to Cameroon's need to strengthen its agricultural policies in a socio-political context aimed at economic emergence in 2035.

"The approach by the transfer of Chinese technologies in Nanga-Eboko is well suited for the Cameroonian government, the State of Cameroon (Jean Kuete, Vice-Prime Minister, Minister of Agriculture and Rural Development) signs a memorandum of understanding of cooperation with China (Huang Changqing, Ambassador of the People's Republic of China to Cameroon) for the construction by China of CATAC, January 10, 2008, in Yaoundé (Meeting with the counterpart director of CATAC of the Cameroonian side, February 20, 2021)." In addition, the project is in line with the Poverty Reduction and Strategy Paper (PRSP) (2003–2007) and the Growth and Jobs Strategy Paper (2010–2020). Launched in a China-Africa partnership for agricultural policies, Cameroon has adopted China's CATAC policy to optimize its production of rice, maize, and cassava through the use of modern Chinese technologies. On the other hand, this cooperation in its implementation has highlighted conflicts and controversial cultural transactions between Cameroonian actors and Chinese promoters that we present in this chapter as forms of agro-industrial micro-nationalisms. Driven by the working class, these micro-nationalisms are mainly reflected in the projection effect and also in an instrumentalization of the local agro-scape for dubious purposes. In order to highlight them in the test of the overall policies of the Belt and Road Initiative (BRI), we first present the standards promoted within these centers; then in a second, the symbolic conflicts that result from them and their unprecedented consequences on China-Cameroon cooperation to the test of the BRI.

Transnational Arrangements for the Establishment of CATAC in Bifogo, Cameroon

With a rural population of nearly one billion in 2005 (World Population data sheet cited by Courade and Devèze (2006)). In this context, many populations live on agriculture and livestock (Courade & Devèze, 2006, p. 21). To this particular situation is added food insecurity. Perceived as a chronic evil by the Centre for International Cooperation in Agricultural Research (CIRAD) and the Food and Agriculture Organization of the United Nations (FAO) in 2006, food insecurity is understood as the direct consequence of the inefficiency of agricultural policies necessarily leading to the change of public policies Alain Felix (2006). Moreover, since 2004, China has contributed only 14% of its national GDP compared to 33% in 1982. His policy of the three “Nong” (agriculture, the rural world, and peasants) thus aimed to pay more attention to the countryside. Since 2006, China has called for the construction of a “new socialist rurality” ambition (French China, 2008). This policy of the new rurality in China aims to reduce the gaps between cities and villages and to rebalance the public life of the countryside, in particular through the reduction of taxes (*Géoconfluences*, 2010), the increase of agricultural subsidies, and the financing of infrastructure in rural areas. Indeed, the agricultural population has shrunk considerably in China (Aubert, 2005, 80) for the benefit of Chinese traders and workers (see Ma Mung, 2012). At the same time, Cameroon consists of five agro-ecological zones comprising the Far North, North and Adamawa regions, West and North-West, Centre, South, and East, as well as mangroves in the Littoral and South-West region). In addition, the agricultural sector is embraced by nearly 60% of the working population, as well as 30% of GDP and 15% of Cameroon’s budget revenues (Amougou, 2006).

For China and Cameroon, the project to create agricultural demonstration centers has thus appeared as an official strategy for the modernization and industrialization of the Cameroonian agricultural sector (see PRC, 2018). However, observations of its implementation in Nanga-Eboko have revealed several types of controversy (from the construction of the center in Nanga-Eboko in 2011) to the operationalization of a Sino-Cameroonian agricultural policy in the Central region of Cameroon.

The Decisive Role of Chinese Expertise in the Emergence of Social Workers' New Nationalism in Bifogo, Cameroon

Bifogo is a village located 4 km from the capital of the department of Haute-Sanaga: at a distance from Nanga-Eboko. The populations of these regions live mainly on agriculture and hunting (Focus group n°1 with workers, Bifogo, October 20, 2021). Renowned for its fertile land (Interview with an ARDI soil scientist mastering the soil properties of Bifogo village, Bifogo, November 24, 2021), Bifogo housed a Taiwanese farm (Interview with the counterpart director of CATAC of the Cameroonian part, Yaoundé, January 20, 2019) before the arrival of the Chinese provincial company *Shaanxi Overseas Investment and Development responsible* for the operationalization of CATAC. It is not its first experience in Cameroon. In December 2005, the latter was invited by the Cameroonian government to explore activities. In June 2006, it signed a memorandum of understanding granting 10,000 hectares for the production, processing, and marketing of rice, cassava, and ostrich farming with the Minister of Agriculture and Rural Development of Cameroon. Following this agreement, China through this company created the *joint venture* (sino-cam-iko agriculture development COLTD). The company is to manage the operations related to the implementation of this major project. This was the first stage of the Sino-Cameroonian agricultural partnership in Nanga-Eboko.

One of the first achievements was the establishment of an Agricultural Demonstration Farm in Nanga-Eboko. Subsequently, 61 ha of crops including 25 ha of maize, 1 ha of cassava, and 10 ha are put to the benefit of industrial soybean cultivation; 29 varieties of mixed rice seeds from China of which 14 varieties have yielded more than 9 tons/ha. While the latter simultaneously generated nearly 10.5 tons/ha, other trials involving 13 maize varieties produced 7.5 tons/ha, in addition to 8 cassava varieties, the expansion of vegetable crops and fruit trees.

The promotion activities of these productions launched and supported by Yang Haomin, the President Director General, of SINO-CAM-IKO Agriculture Development COLTD to the Prime Minister and the Minister of Agriculture in Cameroon, have generated the dissemination of these different products.[2] However, the project experienced a break that the Chinese government imagined compensating for by creating an agricultural demonstration farm.

Presented as a project of assistance in terms of agricultural policy from the Chinese government to the Cameroonian government beyond agricultural technical infrastructure and logistics,[3] the specifications highlight the domination of Chinese values. In addition, the technical execution of the work by Chinese workers and technicians has generated other forms of conflict as elsewhere in sub-Saharan Africa (see Lu et al., 2016).

Technical cooperation, another step in the realization of these centers, is the time of exchange of knowledge and knowledge between Chinese experts and local technicians. However, it is overshadowed by Chinese cultural participation as highlighted in the following statement:

> in the technical operation stage, in term of the management, the Chinese implementing company run the Centre on daily basis. Financially, the Chinese government covers most of the Centre's daily operation, including the funds needs to carry out the routine activities such as agro-technology research demonstration and training, as well as the salary of the Chinese degrees with the technical and managerial issues and sharing a small part of a financing responsibility related to this. (Xuili et al., 2016)

The final phase of the operationalization process, also called *business operation*, is devoted to the sales of the products of the demonstration centers. The persistence of problems related to food insecurity highlights the control of different production and distribution processes by Chinese technologies, despite the social and institutional discourses on the need for "transfers of competence" (Counterpart Director of CATAC of the Cameroonian side in Cameroon tribune 2016). Indeed, the role of Chinese experts is decisive in this dual process of transfer and appropriation of Chinese agricultural techniques. While several Chinese experts are

[2] See Official Document on the Chinese mission for the project of the Pilot Centre for the Application of Agricultural Technologies in *Nanga-Eboko*, Summary presentation of the SINO-CAM IKO demonstration farm of *Nanga-Eboko*, 14 December 2006.

[3] See Memorandum of Understanding on Cooperation between the Republic of Cameroon and the People's Republic of China for the Construction by China of a Center for the Application of Agricultural Technologies in Cameroon.

thus involved in this Cameroonian national process, their multifaceted participations first highlight the visibility of the dissemination of Chinese knowledge and cultures in terms of agricultural techniques. As part of a knowledge transfer based on the holding of local training sessions designed and organized by China, Sino-Cameroonian cooperation takes the form of passive participation of local Cameroonian actors. The only knowledge promoted borrows from the use of Chinese inputs including fertilizers, insecticides, and phytosanitary products of Chinese origin to the detriment of local agricultural practices and products. Although civil society organizations are associated with Cameroonian agricultural research centers, the participation of the latter is mainly used for the validation of Chinese training sessions.[4]

Implications for Chinese Power and Conclusion

Known as an advanced country in the design of agricultural machinery in the world (Schwoob, 2014), China finds in these agro-technological poles the opportunity to develop the "made by China". Such a policy also enshrines an exemption from customs duties. At the same time, no local transformation is sustainably observed while Chinese growth is faltering. The creation and installation of a demonstration center of Sino-Cameroonian agricultural technologies in Bifogo have not transformed the quality of life of either the populations or the workers involved in their economic-technical operations.

Results from surveys show that by sponsoring the agricultural sector through CATAC, China also took advantage of the precariousness of local workers to promote its cultural knowledge of agriculture in a South-South context. The policy of its cultural management of agricultural knowledge and technologies was controversial. While social workers acknowledge the persistence of poor living conditions the lack of progress and radical social

[4] The purposes of the ATDCs are explained as follows (Ministry of Commerce and Ministry of Agriculture, 2011): I. To serve China's foreign strategy and promote bilateral relations with the recipient countries; II. To help increase grain production, improve agricultural technology, and enhance food security of the recipient countries; III. To provide a platform for Chinese companies to develop in Africa and promote China's 'Agricultural Going Out' policy; IV. To build the ATDC into a base for agro-technology experiment and research, demonstration and extension, human resources training, and display.

change within the invested areas highlight inequality in cooperation policies.[5]

> Since the arrival of the Chinese, nothing has moved. Even on our plates, we don't see anything. They say they produce rice, maize, and cassava but that doesn't happen to us. Life is the same. It has not changed. We eat our cassava couscous almost every day with bushmeat. (Focus group n°2 with the workers, Bifogo, November 25, 2021)

Unlike the Chinese state's announced expected results when establishing CATAC in Bifogo, Sino-Cameroonian cooperation in the context of the BRI is far from being a generous and voluntary cooperation. If for Deng Xiaoping, "practice is the only criterion of truthfulness", in the context of a cooperation technically dominated by Chinese experts (2014–2017),[6] local farmers think that:

> The Chinese who are on the Bifogo site do not have the will to professionalize the profession of farmer in the locality. We have doubts about their different formations. We have the impression that they are spies. And they live in isolation. We are not in the spirit of win-win cooperation. Each party conducts its activities. It is a disaster. (Interview with the Counterpart Director of CATAC of the Cameroonian side on 12/03/2020)

The provisions of Article 16 on the specifications of Sino-Cameroonian cooperation in agricultural matters via CATAC, training in technological knowledge of vegetable cultivation, pig breeding, poultry, and fish farming, in agricultural machinery and maintenance, as well as in the field of agronomy techniques are absent or insignificant. Some CATAC workers denounced the lack of planning (Focus group n°2 with workers, Bifogo, January 24, 2021). The constant unavailability of electrical energy jeopardizes the irrigation systems (Interview with an agricultural engineer from the Cameroonian part, 22/03/2020).

[5] The Counterpart Director of CATAC of the Cameroonian side emits in essence that "everything that is proposed is refuted", interview of 20/11/2020.

[6] We would like to point out that the specifications organizing the responsibilities of the Cameroonian and Chinese parties regarding the implementation of CATAC mention the year 2015 as the start of activities. Gold, according to the Counterpart Director of CATAC of Cameroonian party, "for the Chinese, the operationalization phase begins from 1 June 2014, when the first experts arrived at the Center" (Interview with the Cameroonian delegate of CATAC on 15/02/2020).

Meanwhile, CATAC was designed as a response to the inefficacy of Cameroonian irrigation systems. In that view, CATAC Cameroonian delegate denounces the expensive character of daily water pumping via electric generators which cost nearly 1000 euros per day (Interview with the Counterpart Director of CATAC of the Cameroonian part on 20/11/2020).

Last but not the least, the Chinese were also criticized for not putting a long-term strategy for more profitable results (Interview with the Counterpart Director of CATAC of the Cameroonian side on 20/11/2020). As a matter of fact, CATAC has closed in 2019 (Interview with the Counterpart Director of CATAC of the Cameroonian side on 20/11/2020).

While these results may be critical for the Chinese symbolic power in the region, Cameroon operates as a specific case. Elsewhere in Africa, China has trained many local farmers. China has also impacted agricultural policies. In 2017, 420 producers were trained by Chinese technicians at the Sino-Congolese center of *Kombe*. In Congo, China has trained many local farmers while transferring herders on cassava cultivation techniques and strategies for improved production of laying hens (*Dispatches from Brazzaville*, n°3096, Monday 18 December 2017).

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CHAPTER 17

From Landlocked to Land-Linked: Kazakhstan as a Transport and Logistics Centre Within the Silk Road Economic Belt

Lyailya Nurgaliyeva

Introduction

The collapse of the Soviet Union in 1991 was an unexpected event for the former Soviet republics, who were unprepared for the shocks that followed and had to fight for survival. Kazakhstan, like the other countries of the former Soviet Union, had to start from scratch with its foreign policy and national security concepts. Speaking about the first stages of forming the country's foreign policy, Kassym-Jomart Tokaev,[1] Kazakhstan's former Minister of Foreign Affairs, 1994–1999, stated that the first phase of the

[1] Kassym-Jomart Tokaev is a Kazakh politician and diplomat. In the early years of independence, he was the Foreign Minister and State Secretary. On March 20, 2019, he took office as the president of Kazakhstan, succeeding Nursultan Nazarbayev, who resigned on March 19, 2019, after 29 years in power.

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process, from December 1991 to 1993, was used to lay down the principle of a multi-vector diplomacy, which is now the core of the country's foreign policy (Tokaev, 2001: 41–43).

Following Tokaev's statement, the Kazakh researcher, Murat Laumulin argues that a flexible policy of multi-vector diplomacy was encouraged by the geographical location of the country such as the share of a common border with major powers like Russia and China and the lack of direct access to sea lines of communications, and by Kazakhstan's abundant natural resources, which have attracted great interest from neighbours (Laumulin, 2004).

Another scholar, Bolat Sultanov stresses that the determining factor in the formation of Kazakhstan's foreign policy doctrine in the early years of independence was Kazakhstan's location in the centre of Eurasia, a concept called the "Eurasian bridge". He argues that later, the concept of the "Eurasian bridge" was organically transformed into a doctrine of "Multi-vector diplomacy". The multi-vectorism was laid in the basis of this foreign policy, according to which Kazakhstan was developing fair and diversified relationships with such regions as CIS, Central Asia, East and West, Europe and Asia, the Muslim world, and the Asia-Pacific region (Sultanov, 2001: 9–11).

In addition, Nursultan Nazarbayev, former president of Kazakhstan, also noted that Kazakhstan, given its geographical location in the middle of the continent, should become a bridge between the West and East. He claimed: "The destiny for our country is to function as a bridge between Asia and Europe, between the great cultures of East and West" (Nazarbayev, 1996: 20).

The focus of Kazakhstan's Eurasianism was to build a bridge between Europe and Asia since Kazakhstan is situated in the "heart of Eurasia". Martha Brill Olcott calls the landlocked geographic location of Kazakhstan the "curse of geography" and argues that Kazakhstan uses the Eurasian policy to turn this "curse" into strength and advantage by maintaining and balancing relations with all major actors in the world (Olcott, 2002: 10).

This Eurasian policy was a cornerstone for designing and implementing Kazakhstan's multi-vector foreign policy of supporting and developing relations with all countries and regions in the world without annoying or antagonizing Russia. The academic work by Reuel Hanks views "the multi-vector policy as Kazakhstan's desire to attract as many partners as possible in the exploitation of the country's hydrocarbon resources, and to develop a multitude of routes connecting those resources to the global market … indicating the regime's desire to break its dependency on Russian transport infrastructure" (Hanks, 2009: 264).

Kazakhstan, as one of the Soviet Union republics, was closely connected with the Russian economy during the Soviet era. The Central Government in Moscow had complete authority over all production enterprises. As a result, even though Kazakhstan gained political independence after the Soviet Union fell apart, it remained economically reliant on Russia. All the pipelines in the Caspian Sea were built to connect the Soviet Union internally and were routed through Russian territory, implying that Russia controlled the region's economic lifeline. Therefore, since the mid-1990s, the major Russian oil and gas corporations have been actively involved in the development of Kazakh fields such as "Kumkol" and "Karachaganak" (Andreev, 2009).

This situation was unfavourable to the Kazakh government, and as a result, debates about the necessity to reduce Kazakhstan's reliance on Russia took place, leading to close cooperation between Kazakhstan and China and later, Kazakhstan joining the Silk Road Economic Belt (SREB). Thus, the question that appears is what implications did the launch of the SREB have on Kazakhstan? Some scholars have looked at the relationships between these two countries from various perspectives, such as the development of China and Kazakhstan's cooperation (Gelvig, 2020; Kembayev, 2018), focusing on the risks and opportunities for Kazakhstan that the Belt and Road Initiative (BRI) can bring (Kukeyeva & Dyussebayev, 2019). Many of these studies have supplied revealing insights into the Chinese-led SREB but have failed to analyse the significance of the SREB for Kazakhstan and how Kazakhstan is trying to integrate its "Nurly Zhol" infrastructure development programme into the SREB, which is currently lacking in the scholarly literature. Although some researchers have examined the transit and transport potential of Kazakhstan or the Central Asian states overall within the SREB (Abdullayev et al., 2016; Khassenova-Kaliyeva et al., 2017; Selmier, 2020), they also have not discussed the integration of "Nurly Zhol" with the SREB that enables Kazakhstan to be more linked with the rest of the world by taking advantage of its geographical location.

This chapter, therefore, looks to fill this scholarly gap by analysing the significance of the SREB for Kazakhstan based on publications and government documents. It asks the following questions: What significance does the SREB bring to Kazakhstan?

This chapter goes ahead as follows. The next section briefly outlines the establishment of the SREB initiated by Xi Jinping in 2013 in Kazakhstan, and the complementarity of Kazakh and Chinese interests that resulted in connecting SREB with Kazakhstan's economic policy; Nurly Zhol. The subsequent section provides an overview of the current state of the transport and logistics of Kazakhstan. The final section introduces Kazakh-Chinese joint projects within the Silk Road Economic Belt.

Integration of the Silk Road Economic Belt with "Nurly Zhol"

The Silk Road Economic Belt (the "Belt") is a part of Xi Jinping's Belt and Road Initiative, which he announced at Nazarbayev University in Kazakhstan in September 2013. It is an ambitious Chinese vision to promote infrastructure development, connectivity, and economic integration across the Eurasian continent. In his speech, Xi suggested working together to formulate plans and measures for regional cooperation. He also called on the relevant parties to ease trade and investment and remove barriers by saying that the Silk Road has a population of "close to 3 billion people and represents the biggest market in the world with unparalleled potential" (Wu, 2013). Specifically, the implementation of the Silk Road Economic Belt (SREB) is based on the following five principles:

1. Policy coordination (to build political ties by forming partnerships with regional countries to promote economic development based on plans and programmes of regional interaction proposed during negotiations).
2. Facilitate connectivity (the development of a single transport network connecting Eastern, Western, and Southern Asia).
3. Unimpeded trade (the strengthening of trade relations through reduction of trade and investment barriers).
4. Financial integration (the strengthening of currency flows by enabling currency operations such as swaps and settlements in the national currencies of the region's states, further protecting financial institutions from risks, and boosting the region's international competitiveness).
5. People-to-people bonds (promotion of friendly ties between the people of the region by improving mutual understanding and reinforcing traditional friendships) (ibid.).

After his 2013 speech in Kazakhstan, Xi Jinping emphasized the need to speed up the development of the Silk Road Economic Belt and the 21st Century Maritime Silk Road during the 8th Meeting of the Central Leading Group for Financial and Economic Affairs on November 4, 2014. Instantly, the government of China moved to build financial institutions to carry out the project, and on November 8, 2014, Xi Jinping announced the contribution of 40 billion USD to set up the Silk Road Fund (Zhang, 2017).

At the same time, on November 11, 2014, the former president of Kazakhstan Nursultan Nazarbayev announced the new economic policy called "Nurly Zhol" (Bright Path). Nazarbayev decided to launch "Nurly Zhol" due to the 2014 drop in oil prices to upgrade Kazakhstani infrastructures by taking advantage of its strategic location between China and Europe (Louthan, 2022: 13–14). The new economic policy is mainly in line with the SREB's long-term development plans. The Nurly Zhol programme aims to ensure an integrated continuation of the course of reforms in the economy. For this purpose, Kazakhstan implemented a large-scale programme of modernization of transport assets, which covers all means of transportation. What is outstanding here is that Kazakhstan is the only country to connect the construction of the SREB with its new economic policy "Nurly Zhol" (Kushkumbayev, 2015).

The year 2015 was particularly beneficial in terms of Kazakh-Chinese relations. During his May visit to Astana, Chinese President Xi Jinping stated, "Currently, China and Kazakhstan have achieved initial results towards the formation of the Belt and the Chinese side appreciates this fact. China intends to promote the convergence of the formation of the economic zone of the Silk Road with Kazakhstan's Nurly Zhol program. Both countries should continue to implement large-scale joint projects in the spheres of infrastructure and transport and communication of interconnectedness to promote cooperation in the field of energy and finance, to deepen relations in the humanitarian sphere, to continue to strengthen the partnership for security" (ibid.).

As a result, in August 2016, the governments of the Republic of Kazakhstan and the People's Republic of China signed the cooperation plan for the conjugation of the Nurly Zhol and the SREB. Kazakhstan joined the Asian Infrastructure Investment Bank (AIIB) in the same year, with a paid-in capital of 729.3 million USD and 0.8406% of total votes. During President Tokayev's visit to China in 2019, an official Memorandum of Understanding (MoU) was signed between the Kazakh and Chinese governments on the implementation of the cooperation plan for the connectivity of the Nurly Zhol new economic policy and the construction of the Silk Road Economic Belt (Baldakova, 2021).

Between 2015 and 2017, the Nurly Zhol programme resulted in a 3.3% increase in GDP and the creation of almost 360,000 permanent and temporary jobs. The total amount of revenue generated by all types of transport increased by 1.3 times and amounted to KZT 353 billion. In addition, the volume of cargo transportation has nearly doubled since 2009, from 2.4 billion tons to 4.2 billion tons in 2019, thanks to Kazakhstan's expanding transport and logistics infrastructure (mainly under the Nurly Zhol programme). Kazakhstan has invested over 30 billion USD in transport infrastructure (Zhakypova et al., 2020: 37).

This section introduced the establishment and main principles of the SREB. It also gave an overview of the complementarity of Kazakh and Chinese interests to promote cooperation in the fields of transport, logistics, and energy that resulted in connecting SREB with Kazakhstan's economic policy Nurly Zhol. The next section will discuss the current state of the transport and logistics of Kazakhstan.

Transport and Logistics of Kazakhstan

According to the Deputy Chairman of the Board of the Institute for Foreign Policy Studies under the Ministry of Foreign Affairs of the Republic of Kazakhstan, ex-Secretary General of the Shanghai Cooperation Organization (2007–2009), Ambassador Extraordinary and Plenipotentiary of the Republic of Kazakhstan Bolat Nurgaliyev, China has decided to announce its important initiative in Kazakhstan because the Chinese leadership took into account Kazakhstan's consistent commitment to the idea of reviving the Great Silk Road through Central Asia acquiring the role of a trade and infrastructure hub for the entire Eurasian continent. He also added that President of Kazakhstan Kassym-Jomart Tokaev noted in his speech at the February 2020 Munich Security Conference that the Central Asian region is one of the key regions for the implementation of the SREB (Analitika, 2020).

The slowdown in Chinese economic growth due to the global recession (the COVID-19 pandemic) prompts Beijing to step up efforts to create new export and investment opportunities, as well as expand access to raw materials and enter new markets for Chinese products. Diversification of transport routes for the delivery of Chinese export products to world markets requires a developed transport and logistics infrastructure in transit countries and favourable conditions for the unhindered movement of Chinese goods and services, including the liberalization of customs and currency regimes (ibid.).

According to the Nurly Zhol programme for 2020–2025, Kazakhstan, to increase the capacity of the infrastructure and develop the Eurasian transport corridors, including container technologies, has planned to modernize the Dostyk-Mointy section with the electrification of the Moiynty-Aktogay section. New separate points will be opened; double-track inserts will be built. This will increase the speed of container trains passing through Kazakhstan (Nurly Zhol, 2019).

In addition, new railway lines such as Zhetygen–Khorgos, Zhezkazgan–Saksaulskaya–Beyneu were built, which reduced transit routes by 1000 km and provided transport links within the country from East to West. The main advantage of these new railways is to reduce the time for the transit transportation of goods and passengers by half in comparison with the sea route and up to a thousand kilometres in comparison with transit through the territory of Russia (ibid.).

Transit transportation of goods is an important part of the transport system of Kazakhstan. The vast territory, significant distances, and technological features of transport logistics determined the dominance of rail transit traffic (90%) in the total volume of transit in 2018. At the same time, the main transit cargo base is formed by the transportation of general cargo, ore, agricultural products, metals, oil, and oil products (ibid.).

Investments in the infrastructure of the Caspian logistics hub ensured the qualitative development of the Aktau port and the new multi-modal ferry complex Kuryk, which are included in the network of international transport corridors. This made it possible to optimize the technological processes for the movement of containers along the corridor of the Trans-Caspian International Transport Route from China through the Caspian Sea to the countries of the Caucasus, Turkey, and back. This increased the efficiency of using the fleet of fitting platforms due to the rapid turnover of wagons within Kazakhstan, and reduced the delivery time of goods by 20–25% (Novosti, 2020). This route is especially crucial nowadays with the ongoing war in Ukraine that can bypass Russian territory and deliver goods from China to Europe in a shorter time.

This section discussed the current state of the transport and logistics of Kazakhstan, and the efforts done by the Government of Kazakhstan to modernize its infrastructure to develop the transport corridors, which is also in the interest of China. The following section will discuss the joint projects between the two countries within the SREB.

Kazakh-Chinese Joint Projects Within the Silk Road Economic Belt

With the establishment of the SREB, Kazakhstan and China have created more and more joint projects, one of which is in the field of transport. On May 22, 2015, at the Astana Economic Forum, Kazakhstan's former president, Nursultan Nazarbayev, proposed the creation of a new high-speed multi-modal transport corridor known as the Eurasian transcontinental corridor. He stated, "It will stretch across the entire country of Kazakhstan, allowing for the free transportation of products from Asia to Europe and back. This route is significantly shorter than the maritime one" (Nazarbayev, 2015). "The construction of a land route to Europe is of tremendous importance to the prosperity of Asia because the amount of trade between China and the European Union is expanding every day. And this will open new chances for Kazakhstan, as experts have pointed out, the land route will be nearly three times shorter than the maritime one" (ibid.).

There are numerous processes involved in implementing the SREB. The agreement signed during the second meeting of the Kazakh-Chinese Business Council was one of the first steps towards cooperation in goods transportation. This agreement between the Joint Stock Company "KTZ Express" and the "GK Lianyungang Port" aims to improve and strengthen international traffic via the new Eurasian continental transport corridor. The development of a logistics terminal at the port of Lianyungang is being held as part of the newly formed joint venture. The project offers investments totalling 99.3 million USD for these goals, with the Kazakh side contributing to 17 million 972 thousand 164 USD (Forbes.Kz, 2015).

The Joint Stock Company "Kazakhstan Temir Zholy" and the company "Chinese Railways" signed another transport document. The agreement calls for the expansion of freight traffic between Kazakhstan and China, and railway transit corridors such as China-Kazakhstan-Europe, China-Kazakhstan-Central Asia, and vice versa. Furthermore, the planned development of the border railway crossing Dostyk–Alashankou, and Altynkol–Khorgos, as well as the railway infrastructure nearby, will result in improved container transport technology, an increase in the number of container trains, a deepening of logistics company cooperation, improved quality, and better working conditions for both side's employees. Kazakhstan is expected to benefit significantly from the modernization of its transportation and logistics (Forbes.Kz, 2015).

Transit of goods through the territory of Kazakhstan is bringing benefits to the country. For instance, in 2021, it increased by 1.5 times compared to 2020, and on the China-Europe axis—by 1.7 times (Solntsev, 2021). According to Hu Xuelian, senior customs manager of the supply chain of Baoshide Technology Co. Ltd, located in Suzhou, Jiangsu, "Due to the impact of the COVID-19 epidemic, containers with goods transported by sea have become stuck in foreign ports, the number of sea routes has decreased, and shipping prices have risen sharply. Therefore, we have chosen a more stable and efficient way—China-Europe freight trains. For us, internal and external connectivity and a safe and efficient logistics network are very valuable for stabilizing the supply chain and opening domestic and foreign markets" (Xinhua, 2021).

Thanks to Kazakhstan's efforts to develop the railway infrastructure and the created reserve made it possible to take advantage of the unexpected surge in traffic volumes, which cannot be said about the Russian direction towards the Far Eastern seaports, where they are experiencing tangible difficulties with the passage of cargo flows due to the insufficiently developed railway infrastructure (Solntsev, 2021).

According to the report of China State Railway Group Co, a total of 2213 freight trains were dispatched between cities in China and Europe in January and February 2021, an increase of 96% over the same period in 2020, and the number of goods delivered was 209,000 TEUs (20-foot Equivalent Units), which is 106% higher compared to 2020 figures. In addition, more than 1000 trains had been dispatched every month since May 2020. Moreover, Zhao Juan, a research fellow with the China Railway Economic and Planning Research Institute, claims that the popularity of rail freight along the China-Europe route has been growing rapidly, since delivering goods by rail is much faster and cheaper than by sea or air. For example, trains only take 18 days to arrive in Germany despite congestions abroad, while cargo delivery by sea takes 35 days. At the same time, the timing and fees for railway transportation remain relatively stable (Korytseva, 2021).

Besides, according to Deputy Minister of National Economy Alibek Kuantyrov, by 2025, the volume of goods transiting through Kazakhstan is expected to double from 2010, pointing out the country as a "very important link" between Europe and Asia. Kazakhstan's strategic location makes it vital to China's Belt and Road Initiative, which aims to build a huge economic zone linking China to Europe by land and sea. The initiative can bring advantages to Kazakhstan. Approximately 90% of current cargo traffic is transported by rail. Container traffic volume is increasing rapidly, totalling 876,000 TEUs, or 20-foot equivalent units, in 2020, up 32% from 2019 (Ishikawa, 2021).

However, there are also some issues in transportation cooperation between Kazakhstan and China. Kazakh entrepreneurs faced a significant decrease in the volume of goods, components, and equipment supplies from China back in 2020, when the border was abruptly closed due to the pandemic. Nevertheless, even in 2020, during the strictest quarantine, there has not yet been such a reduction in the number of crossings of trains intended for Kazakhstani enterprises as in 2021. A sharp drop in cargo for Kazakhstan began in 2021, approximately from the beginning of summer. At the same time, to the extreme irritation of Kazakh business-people, goods from China, which were destined for European countries, without any problems arrived their destinations. On the border on the Chinese side, a bottleneck of 5000 railcars for Kazakhstan had accumulated. In an interview with *Forbes-Kz*, Timur Zharkenov, head of the Union of Industrialists and Entrepreneurs "Iskermen", said that "the Chinese authorities even demanded to line up the accumulated railcars further from the border to clear the way for their trains. Our business-people, in the current situation, must calculate multimillion-dollar losses. Many manufacturers today almost stopped their production, since there are no components and raw materials for the manufacture of goods—from plastic bottles and labels to sewing clothes and the production of medicines. This year transit through Kazakhstan to Europe increased by 50%. Roughly the same situation is observed in the Russian Far East, which has also significantly increased the transit of Chinese goods. We, of course, understand that transit of goods through Kazakhstan is good, and our country earns on this, but why can't we arrange for the delivery of our goods as well?" (Forbes.Kz, 2021).

The Chinese authorities gave two explanations. Firstly, the delay of goods allegedly occurred due to quarantine restrictions, same as in the previous case with the trade because the sanitary measures take more time for servicing and the formation of trains. Secondly, there might be a bottleneck of the railcars on the Kazakh side that also cannot get to China. However, Timur Zharkenov doubts that this is a problem. Therefore, he appealed to the government of Kazakhstan to resolve this issue. He said that "the government of Kazakhstan should apply mirror measures to Chinese transit trains. Depending on the amount of Kazakhstani railcars passed through the Chinese border, the same amount should be passed through Kazakhstan. If we continue to remain silent, the situation will not be resolved in any way" (Forbes.Kz, 2021).

This section introduced Kazakh-Chinese joint projects within the Silk Road Economic Belt. It also showed both benefits and disadvantages for Kazakhstan in this cooperation. Though China always claims about the benefits that neighbouring countries can get from connectivity with the Belt and Road Initiative, we can see some disadvantages in the case of Kazakhstan.

Conclusion

Kazakhstan is a key country in implementing the Chinese SREB due to its vast natural resources and geographic location. Infrastructure investments are critical for energy-exporting countries like Kazakhstan to maintain security and economic growth stabilization. Kazakhstan joined the China-led Asian Infrastructure Investment Bank to pursue its new infrastructure development economic policy called "Nurly Zhol—Path to the Future".

Firstly, this chapter explained the background of Kazakhstan's multi-vector foreign policy after independence. Secondly, it showed the connection between Kazakhstan's economic policy Nurly Zhol and the SREB proposed by China. Thirdly, it clarified Kazakhstan as an important land and transportation hub. Finally, it discusses the current situation, cooperation, development, and existing problems of land transportation between Kazakhstan and China.

For Kazakhstan, the SREB has the following advantages. First, Kazakhstan can transform itself from a landlocked country to a land-linked by developing transit corridors. Second, Kazakhstan can reduce its economic dependence on Russia. Third, Kazakhstan can improve the attractiveness of foreign investment and enhance its economic power.

For China, since transporting goods to Europe through Kazakhstan's border is the fastest route, China counts on the assistance of Kazakhstan in implementing the SREB.

The SREB, however, also has disadvantages. First, the SREB might make Kazakhstan's economy overly dependent on China. Second, China's economic influence can have a huge effect on Kazakhstan's politics. Third, it cannot effectively solve the problem of Kazakhstan's economy, being too dependent on energy export.

To sum up, the SREB plays a very important role in promoting the economic development of Kazakhstan, but there are also many problems to be solved. As a result, both countries need to work together to find more effective ways of cooperation, promote economic development, and achieve win-win results.

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CHAPTER 18

Engaging Israel in the Belt and Road Initiative: China's Techno-Nationalism in the Middle East

Zeying Wu and Richard Yarrow

Introduction

Even before the normalization of China-Israel relations in 1992, China had sought Israeli technology, particularly in agricultural and military sectors. After the normalization, China-Israel relations initially remained focused on technological exchanges, only slowly extending to exchanges in health and education (Orion & Lavi, 2019, p. 13). In the 2000s, while Israel developed into an innovation centre with thousands of start-ups, China's economic reform met bottlenecks, and Chinese policymakers sought ways to replace labour-intensive and environmentally

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unsustainable industries with an economic system based on knowledge and technology.

In the 2010s, China began losing the benefits of technological transfers from many advanced economies. Tightening barriers to Chinese investments in the US and its allies pushed China to pursue new technological partners, making Israel—with its enormous and wide-ranging technology sector—increasingly relevant to China's economic and strategic planning. Thus, in the past ten years, Chinese state and private actors have gained greater interest in Israeli technology firms and dramatically increased investments in Israel. China's government, more than ever before, encourages and supports economic and technological cooperation with Israel, sending high-level officials to visit Israel and openly welcoming Israel's involvement in China's Belt and Road Initiative (BRI) and membership in the China-led Asian Infrastructure Investment Bank (AIIB).

Unlike many other BRI participants, Israel plays an influential role in China's intended transition from "world factory" to a global innovation champion. China's attempt to involve Israel in the BRI has therefore been shaped by goals different from China's goals with most BRI participants. Most Chinese investments in Israeli technology have come from private enterprises, while state-owned companies have focused on sectors related to infrastructure and agriculture (Ella, 2021). This "division of labour" between state-owned enterprises (SOEs) and private investors, on the one hand, shows the greater potential for technology innovation among Chinese private enterprises. On the other hand, it suggests the common interest shared between Chinese private entrepreneurs and government in Israeli technology. This common interest has brought the Chinese state's financial heft and capability for building high-level political relations with Israel, alongside the private sector's technical expertise and market savvy in navigating Israel's start-up environment.

China's engagement with Israel in the BRI can reflect the techno-nationalism of both the government and entrepreneurs—that is, the aspiration to elevate China's strength and international status with technology and innovation equalling or exceeding that of any other nation in the world. By analysing China's private investments in Israel, this paper discusses how Chinese private investors have aligned with broad goals of the Chinese government's national strategies such as the BRI and "Made in China 2025". However, China's national strategies are not the only factor propelling BRI exchanges. The rapid growth of Chinese investment and involvement in Israel has offered alternatives for Israel to address its geopolitical concerns, while heightening older tensions in an Israeli national identity split between "East" and "West". In addition to discussing China's national goals and motives in engaging Israel, this chapter also analyses how the surge in Chinese investment influenced debates and tensions in Israel's own national strategies and identity.

Accessing Technology Through the BRI: China's Strategy to Sustain Economic Growth

Despite its rapid growth and profound economic reforms since 1978, China has remained a relative laggard in technological innovation. For instance, most Chinese enterprises embed less high- and medium-tech manufacturing than do those of Western Europe (Leydesdorff & Zhou, 2014). In the 1980s and 1990s, China became the "world factory" where a combination of cheap and low-skilled labour and highly subsidized capital produced low-tech products for the rest of the world or assembled imported components into higher-value products for multinational firms (Gallagher, 2014). This model produced rapid growth at first but could not propel China to higher levels of development. Under this development model, China faced growing challenges of industrial overcapacity, saturated export markets, low levels of household consumption, and technologies well behind the world's cutting-edge, while relying on the US and its allies for the most advanced technology. Chinese leaders have thus hoped to foster a "knowledge-based economy" (知识经济) and sought to promote domestic technological innovation since the late 1990s (Jiang, 1998). In 2006, the government declared in its "Medium- and Long-Term Plan for the Development of Science and Technology" the determination to make "science and technology progress a major driving force for the economic and social development more conscientiously and resolutely" and to "place the strengthening of indigenous innovative capability at the core of economic restructuring, growth model change, and national competitiveness enhancement" (State Council of the People's Republic of China, 2016).

Chinese leaders' policy focus on stimulating innovation has grown alongside the pressures to upgrade China's economic development model. Yet, their techno-nationalism is by no means new. In the late Qing period, Chinese elites had attributed China's weakness against foreign invaders to its lack of advanced technologies. Since then, Chinese leaders have regularly viewed science and technology as means to achieve national strength.

Even during the Maoist period, despite tremendous economic failures and political chaos, scientists were protected while technological development remained a key measure of China's national power and international status. Since 1978, to borrow the words of China's reformist leader Deng Xiaoping (1978), science and technology are deemed "the No. 1 production force" (科技是第一生产力).

China's long pursuit of science and technology met frequent challenges ranging from political disincentives and educational constraints to foreign sanctions. Although China's technological development in the 1970s and 1980s relied heavily on technological transfers from advanced economies like the US and Japan, these countries have grown increasingly wary of China's economic competitiveness and the geopolitical goals hidden behind its economic rise. The tightening of avenues for technology transfers from many major Western countries has pushed China to seek new channels for technological cooperation and new sources of support for upgrading its development model.

In 2013, the government launched a new global strategy, the Belt and Road Initiative. Meanwhile, top leaders repeated the importance of technological innovation in supporting China's economic growth (Buckley, 2014). In 2015, when China's official GDP growth rate dropped under 7% for the first time since 1979, both President Xi Jinping and Premier Li Keqiang stressed the necessity to upgrade China's economic model (Mankikar, 2021). In the same year, the State Council announced "Made in China 2025" (MIC 2025) as a ten-year action plan to update manufacturing industries using cutting-edge technologies. Identifying technology and manufacturing as foundations of national strength, MIC 2025 cemented the policy goal of making China a leading nation of manufacturing and innovation by 2049, the centenary of the People's Republic of China (State Council of the People's Republic of China, 2015).

To promote MIC 2025, when speaking at the Chinese Academy of Sciences and Academy of Engineering in 2015, Xi noted the need to "address the technology deficit" and warned against "decorating [China's] tomorrows with others' yesterdays" (Xi, 2017, pp. 131–141). In 2017, at the opening of the first Belt and Road Forum for International Cooperation, Xi Jinping proposed to make the BRI into a "road of innovation". Xi then announced the launch of the Belt and Road Science, Technology, and Innovation Cooperation Action Plan, which consists of the Science and Technology People-to-People Exchange Initiative, the Joint Laboratory Initiative, the Science Park Cooperation Initiative, and the Technology Transfer Initiative (Sheng, 2019). Originally aimed at bringing Chinese companies and capital abroad and connecting China with the rest of the world through trade and infrastructure, the BRI had added the goal of forming a network for technology transfer and cooperation. As of 2021, five technology transfer platforms have been set up in locations from Southeast Asia to Central and Eastern Europe, and several joint research centres were launched in Africa (ibid.). These platforms, however, have mostly functioned as channels for transferring Chinese technologies and commercial products to developing countries. As a well-known innovation hub and major technology exporter, unlike many other participants in the BRI, Israel has become a major source of innovation and a key partner for technology cooperation for China. Israel thus stands out as a unique participant in the BRI and a strategic partner for China to succeed in its economic transition and goals of becoming a global innovation centre.

Private Investments Under the Principle of "the Market Rules and the Government Guides"

In its official announcement of MIC 2025 in 2015, the Chinese government highlighted the principle of "the market rules and the government guides" (市场主导, 政府引导) as the key guideline for China's economic transition (State Council of the People's Republic of China, 2015). This principle is supposed to guide how authorities work with foreign investors in China and Chinese investors abroad (MOFA, 2021). Under this principle, "[c]orporations are the major players and the government must transform its functions to provide a better environment that activates and encourages the creativity of corporations" (State Council of the People's Republic of China, 2015). By providing a better environment, the government meant to strengthen its guidance on strategic research and planning (加强战略研究和规划引导) and improve relevant supportive policies (完善相关支持政策) (ibid.). This by no means suggests a weakening role of the government. Rather, it points to a strong and effective role of the government in shaping flows of capital and human resources and in deciding which countries and industries should be destinations for investments.

In a dataset on Chinese investments in Israel between 2002 and 2020 created by the Institute for National Security Studies (INSS), nearly 97% of a total of 463 Chinese investment deals identified by INSS involved the technology sector.[1] This distinguishes Israel from other countries in the

[1] By value, however, the total proportion of Chinese investments dedicated to Israeli technology firms was much smaller. See Ella (2021).

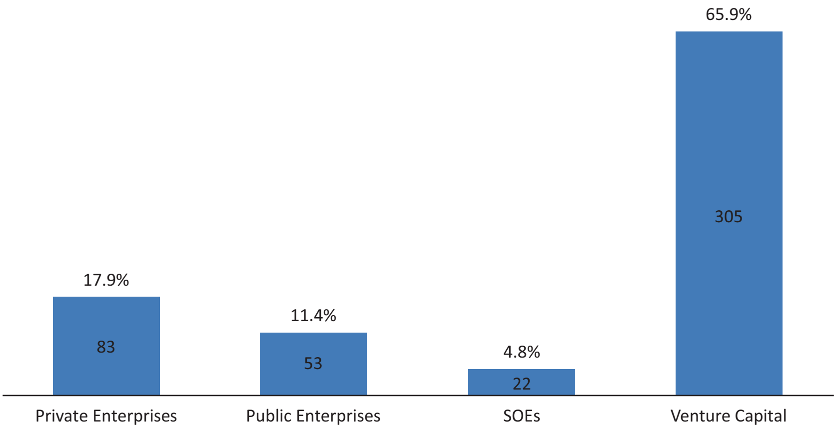

Fig. 18.1 Chinese investments in Israel between 2002 and 2020 (by the number of deals reached by investors). Source: INSS; cited from Ella (2021)

BRI where Chinese investments mostly went to massive infrastructure projects. The dataset shows that, in terms of the number of deals reached, most of the investments identified came from private firms and venture capital. Specifically, 29% of the total deals came from privately owned companies,[2] 66% from private venture capital, and only 5% from state-owned enterprises (SOEs), though the SOE deals focused on infrastructure had much greater value (see Fig. 18.1). Most private investments, moreover, went to Israeli technology firms.[3]

Private investors are usually exposed to less direct influence from Chinese authorities than SOEs are.[4] However, private investments in

[2] Privately owned companies here include publicly traded companies listed on stock markets within and outside of China and privately owned companies not listed on stock markets. This figure combines the original data for "private" and "public" companies in the INSS dataset.

[3] Due to the fact that SOEs mainly invested in massive infrastructure projects with much greater monetary values, the total value of SOE investments is larger than that of privately owned companies and venture capital firms combined. See Ella (2021).

[4] In practice, private companies in China are, to different extents, subject to guidance from the Chinese Communist Party-led government, in forms varying from the five-year economic plans and the spirit of declarations made by Chinese leaders to supervision by the CCP member(s) in senior management positions within the company.

Israeli technology might have been following government guidance alongside market incentives. The fact that significant increases in China's private investments in Israeli technology occurred since 2014 and peaked in 2018, after the official launches of the BRI and MIC 2025 respectively in 2013 and 2015, suggests such a possibility. The technology sectors in which Chinese investors chose to invest, moreover, closely overlapped with the strategic industries highlighted in MIC 2025.[5] Since 2014, except for a noticeable rise in investment in Israeli life science firms, there have been simultaneously significant increases of private investments in software development and IT as well as in chips and semiconductors (see Fig. 18.2).

To help private companies to invest in Israeli technology, China's government set up official partnerships and cooperation channels with Israel's government. In May 2014, the two governments formed the China-Israel

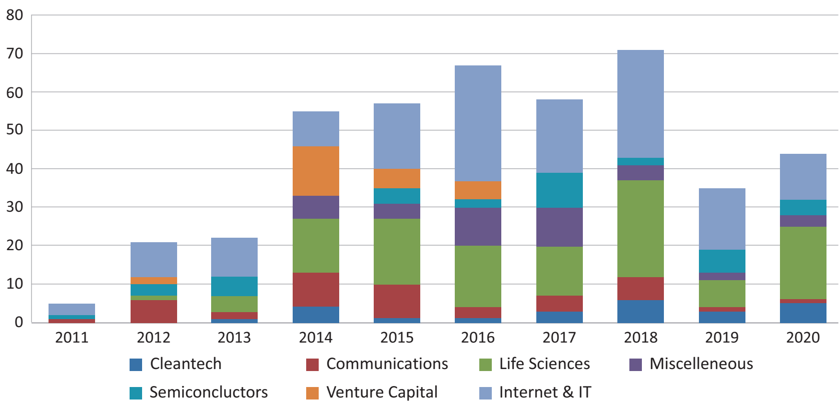

Fig. 18.2 Chinese private investment in Israeli technologies, 2011–2020 (by the number of deals reached by investors). Source: INSS; cited from Ella (2021)

[5] The critical sectors targeted by the Chinese government in MIC 2025 include: next-generation information technology, high-end numerical control machinery and robotics, aerospace and aviation equipment, maritime engineering equipment and high-tech maritime vessel manufacturing, sophisticated rail equipment, energy-saving vehicles, electrical equipment, agricultural machinery and equipment, new materials, and biopharmaceuticals and high-performance medical devices. See State Council of the People's Republic of China (2015).

Joint Committee on Innovation Cooperation. In March 2017, in celebration of the 25th anniversary of the normalization of China-Israel relations, the two countries announced comprehensive innovation partnerships (Consulate General of Israel in Chengdu, 2017). In October 2018, China's Vice President Wang Qishan paid an official visit to Israel, accompanied by ministers and deputy ministers from 13 ministries and a large business delegation (Embassy of Israel in China, 2018). Wang's visit to Israel not only marked China's highest level diplomatic visit to Israel since 2000, but also gave a clear signal to Chinese firms that Israeli technology is where they should invest. The keynote speech by Jack Ma, the founder of Alibaba, at the opening of the fourth forum of the China-Israel Joint Committee on Innovation Cooperation co-hosted by Wang and Israel's then-Prime Minister Benjamin Netanyahu reinforced this message. In addition, Wang also brought Chinese business executives from different industries to meet with Israel's high-tech executives and officials (Ahren, 2018). China's government thus has at least played the role of a matchmaker in coupling Chinese and Israeli high-tech companies.

Chinese Entrepreneurs' Techno-Nationalism and Investments in Israel

Since the mid-nineteenth century, China has embarked on a long journey of pursuing modernity through science and technology. Generations of Chinese students went to advanced countries to study advanced technology and brought technology home to build a modern China with wealth and power. Early returnees' techno-nationalism continued to inspire later generations of overseas students. In Mao's era, the renowned rocket scientist Qian Xuesen's return from the US to China exemplifies how nationalism served as a strong motivational force behind many Chinese scientists' research and personal decisions.

Since 1978, scientists, like other Chinese citizens, have been encouraged to pursue personal wealth through entrepreneurship and connect their personal goals with the interests of national economic growth. The stories of Ren Zhengfei (the founder of Huawei) and Zhang Rujing (the founder of Semiconductor Manufacturing International Corporation, or SMIC), for instance, exemplify the alignment between private entrepreneurs' pursuit of personal wealth and the goal of making China a global leader in certain technology sectors. Ren's determination to make Huawei a pioneer in telecommunications led to Huawei's efforts to set up a research centre in Israel in 2009, after its attempt to acquire 3com, an American maker of internet router and networking equipment, was denied by the US government. More recently, Huawei also invested in Israeli cloud storage company Elastifile Ltd and acquired Israeli database security company Hexatier in 2016 (Efron et al., 2020, p. 42).

In addition to Huawei, Israel has attracted investments from many other well-known Chinese companies, such as Alibaba, Tencent, Baidu, Haier, and Qihoo 360. In 2017, Haier formed an "innovation centre" in Tel Aviv, and in 2018 the firm opened a centre in Qingdao specifically to support Israeli collaborations. Haier was attracted by Israel's "top-ranking technological resources" and by the potential for enhancing China's "local technological upgrade" ("HIIC Offshore," 2018). From 2013 to 2020, Alibaba reached 17 investment deals with Israeli start-ups (see Table 18.1). In 2017, Alibaba decided to locate one of its five overseas laboratories in Tel Aviv to "explore technology breakthroughs aimed at improving the lives of technology end-users and boosting the efficiency and security of enterprises globally" ("Alibaba Announces," 2017). In 2018, Jack Ma

Table 18.1 Alibaba's investments in Israel (2013–2020)

Year	*Israeli company*	*Sectors*
2013	Quixey	Internet
2014	Tango	Communications
2014	Tango	Communications
2014	JVP	Venture Capital
2015	Quixey	Internet
2015	Thetaray	IT
2016	Lumus	Miscellaneous
2016	Twiggle	Internet
2017	Visualead	Communications
2017	Twiggle	Internet
2017	Lumus	Miscellaneous
2018	Nexar	Communications
2018	Thetaray	IT
2018	SQream	IT
2019	Infinity AR	IT
2019	Optibus	IT
2020	SQream	IT

Source: INSS; cited from Ella (2021)

brought 35 senior managers of the company to visit Israel, hoping to find inspiration for innovation and learn from Israel's experience with technology development (Fannin, 2018). During this visit, Ma gave a speech highlighting how both Alibaba as a firm and Israel as a nation must "innovate for survival" (Solomon, 2018), reflecting many Chinese entrepreneurs' implicit hopes for the survival of the Chinese nation as well.

As a nation of start-ups, Israel is a popular destination for investments and technology collaboration among younger Chinese scientists and entrepreneurs as well. For instance, a new technology start-up called Kuang-Chi in Shenzhen has been an enthusiastic investor in Israeli technology. The firm was created by five young Chinese returnees in 2010 after they finished their studies in the US. Less than two years later, Kuang-Chi received a personal visit from Xi Jinping, who intended to appeal to the techno-nationalism of younger Chinese scientists and encourage more overseas Chinese students to return home. During this visit, Xi recounted Qian Xuesen's return in the 1950s, and compared it with the return of the founders of Kuang-Chi, praising them as models of Chinese patriots and their innovation as an effort to realize the grand "China dream" (Yang, 2012). In response, Kuang-Chi CEO Liu Ruopeng explained that the company was named after Hsu Kuang-Chi (Xu Guangqi), a famous Ming dynasty-era scientist. He added: "We are determined to fight for the rejuvenation of Chinese technology. We have made up our mind to do this when we were in the US" (ibid.). Liu went further to vow in front of the president, promising to "develop Kuang-Chi into an innovative enterprise in metamaterials at the global level" (ibid.).

Liu's public conversation with Xi might have simply been a publicity stunt. Nevertheless, after the Chinese government signed "The Three-Year (2015-2017) Plan for Innovation Cooperation between China and Israel" with the Israeli government in 2015, Kuang-Chi invested hundreds of millions of dollars in smart city/smart home, artificial intelligence, virtual reality, and robotics technology firms in Israel. In May 2016, Kuang-Chi also launched China's first "Global Community of Innovation" fund and set its headquarters in Tel Aviv. When asked why Kuang-Chi chose to invest in Israel, Liu responded that he saw the great potential of combining Israeli innovation and China's increasing needs for technology (Press, 2018).

Liu has also revealed his personal ambition to lead his specialized scientific field: "We had a strong belief that metamaterials would change life significantly soon… We wanted to be the principal pioneers in this field" (ibid.). Many younger Chinese scientists, like the founders of Kuang-Chi, are said to have grown up with much more individualist ambition than their parents' generation did. Yet in technological development, they can find ways to align personal and national ambitions, pursuing both China's global leadership and their personal achievements in technological innovation. Knowing the great potential for innovation of private entrepreneurs, China's government has sought to mobilize the private sector using both nationalist discourse and supportive policies.

By engaging Israel in the BRI, China's government has built official channels through which private enterprises and SOEs can enjoy preferential policies and government support to invest in and collaborate with Israel. The recent surge of Chinese investments in Israeli technology thus reflects a techno-nationalism that can be commonly held by China's government, scientists, and entrepreneurs.

Israeli Responses to China's Search for Technology

Measures of global technological research and innovation often list the US, Canada, Britain, Japan, Germany, and Israel among the most innovative countries (see, for instance, Dutta et al., 2020; Coy & Lu, 2015; and Arnold, 2020). If one picks a very crude measure of scientific quality—Nobel laureates in the sciences per capita—then Israel's 7.2 Nobelists (since 1980) per ten million people place it at the very top of global scientific productivity, and slightly higher than the per capita figure for the US. All the countries in the top ranks of global science and innovation are US allies and keep close US military and security cooperation. What has made Israel remain open, while China's avenues for investment in technology firms in the US and other Western countries have recently closed?

To Israeli leaders, warm relations with China provide a range of benefits while aligning with Israel's fundamental strategic goals. Israel's prime threats come from its immediate neighbourhood: Iran, Hamas, and Hezbollah, and to a lesser extent support for anti-Jewish violence within the West Bank, Syria, Egypt, and other Arab states. Israeli officials recognized China's pragmatic stance towards Middle East affairs and hoped China would eventually change its positions on Iran and Palestine (Ahren & Zhou, 2017; Ben-David & Martina, 2017). Israel does not see China as a central competitor or risk, and Israeli security and intelligence officials have publicly and repeatedly dismissed US worries about China-Israel ties ("Ex-Mossad chief," 2021; Nir, 2019). With strong ties to China, Israeli officials potentially gain new levers for applying pressure on Iran or for obtaining information about potential Middle Eastern enemies, including anti-terrorism cooperation with Chinese authorities (Segev, 2018).

Israel's fundamental incentive for fostering ties with China can trace to a deeper need to protect against the unreliability or future anti-Semitism of Israel's traditional Western partners. Israel is a close US ally and is often treated as an "honorary member of Europe" in sports and cultural events. However, many Israelis have deep historical memories of allies' behaviour causing near-existential crises for Israel. These include the US' ban on arms exports to Jewish fighters during Israel's War of Independence, US intervention in the Suez Crisis of 1956, and the French embargo of Israeli-purchased ships at Cherbourg in 1969. Other challenges include the passage of UN Resolution 3379 in 1975 (with the support of some US partners like Brazil and Mexico), and years of European refusals to aid Israeli anti-terrorism operations.

Israelis fear escalating tensions with these traditional allies. Israeli politicians broadly and intensely dislike Western pressure on Israel's domestic policies, especially around construction in the West Bank and East Jerusalem. Israelis see boycott and divestment threats growing across Europe, from an EU decision to require special labelling of goods from the West Bank to Orange's decision to divest from Israel's telecoms market, to the Dutch PGGM and Norwegian KLP pension funds divesting from Israeli companies. Israeli officials across the country's political spectrum have long been frustrated by EU funding for groups that reinforce Hamas in Gaza or promote anti-Semitism in the West Bank (see, for instance, MFA Spokesperson, 2021; Williams, 2021; "Analysis of EU Funding,", 2020; Ahren, 2020; and Keinon, 2014). Meanwhile, Israeli officials increasingly worry about anti-Semitism and anti-Israel attitudes in US cities, media, and colleges, as well as among a fringe of members of Congress (see, for instance, Berman, 2021a, 2021b; Harkov, 2021; and Sneh, 2021).

A key goal of Israeli leaders over the past 20 years has been to foster alternative allies which can counterbalance potential risks from Israel's traditional Western allies. Such new allies could help to make Israel "normal" and accepted on the global stage—a dream of Zionist thinkers and political leaders since long before Israel's establishment as a state. Israeli leaders have engaged in acrobatics to build alliances with parties that flirt with anti-Semitism in Hungary and Poland—and which can veto anti-Israel policies within the EU (Siebold & Emmott, 2021). Netanyahu welcomed warmer relations with Vladimir Putin in Russia and Narendra Modi in

India. These conservative and authoritarian-inclined leaders provoke little sympathy among most Israelis, but Russia and India both potentially offer Israel additional geopolitical security, and the prospect of Israeli alignment with either Russia or India could help dissuade Western countries from seeking to pressure Israel too strongly.[6]

China today performs a similar function: by fostering closer ties to China, Israel might add an extra avenue for protecting itself, gain an ally that might insist that Israel be treated as a "normal" state, and leave an implicit warning for Western countries hoping to force Israel into adopting policies that Israelis see as existentially threatening. Thus, in addition to economic benefits, the BRI might offer Israelis an opportunity for a more secure and more globally affirmed "normality" of their nation.

In the background is a tension *within* Israel's national identity: Does Israel belong culturally and politically to the "West", to the "East" or "Middle East", or to "none of the above"? In a country long divided between Ashkenazi, Sephardi, and Mizrahi groups, the question of Israel's belonging blends debates over foreign policy and economic ties with dilemmas of history, culture, and how the Jewish state might unite its diverse ethnic and immigrant populations. Israelis who look to the cultural and political norms and foreign policies of the "West" have more to regret about their country's collaboration with the West's primary challenger. The growth in Chinese economic activity in Israel and the geopolitical implications that brings overlap with this longstanding tension in Israeli identity without resolving it.

Nevertheless, the rationale for closer ties to China has unstable foundations. China's support for Iran and the hacking of Israeli firms suggest that China could create direct threats to Israel's security (Ben-David, 2013; Ravid, 2020). China continues to frustrate Israelis with anti-Israel votes in the UN (Gering, 2021; Harkov & Lazaroff, 2021). Though Israelis worry about the US' reliability, the US is still Israel's paramount and most consistent ally. A weakened US could quickly lead to a more dangerous and violent Middle East for Israel, and US disenchantment with Israel could quickly energize Israel's enemies. The US and Israel share many cultural bonds; 300,000 Israelis hold simultaneous US citizenship and as many as half a million live in the US (Harpaz & Herzog, 2018). Despite Israel's diplomatic hedging, it is hard to imagine Israel ever wanting to strongly

[6] Similarly, in the 1940s–1950s, Israeli leaders appeared open to cooperation with the Soviet Union, until Soviet strategy shifted to prioritize relations with Arab states. On Israel-Soviet relations, see Shapira (2014); Ginor and Remez (2017); and Ro'i (1980).

alienate the US by cooperating too much with China (see Halevy, 2019; Livni, 2016).

As far as beliefs and identity are concerned, China is becoming less savoury as a partner for Israelis, independently of geopolitical positions. Terrifying parallels between Xinjiang and Nazi camps, harsh communist suppression of individuals (viscerally remembered by many Russian emigres in Israel), Chinese state media's occasional promotion of anti-Jewish stereotypes, and the Chinese government's restrictive treatment of Kaifeng Jews aggravate many Israelis' moral alarm and resonate deeply with many Israelis' ancestral experiences or national narratives (Ainslie, 2021; Bandler, 2020; Gilbert, 2019; Sharansky, 2020). This alarm underpinned the Israeli government's decision to suddenly join the US in condemning Xinjiang policies at the UN Human Rights Council in 2021 (Harkov & Lazaroff, 2021).

Israeli officials enjoy the strategic benefits of connecting to China and aspire for large Chinese markets for Israeli technologies. Still, Israeli authorities cautiously monitor Washington's reactions to determine how to proceed with technology deals with China ("Successful start-ups in Israel,", 2020; Chaziza, 2019; Levy, 2020). For now, Israel's openness to Chinese investment continues, albeit uneasily, alongside its core alliance with the US.

Conclusion

As China's economic growth has faced greater challenges, China's leaders have adopted a series of strategies to support China's sustained development. Among the most prominent policies are the BRI and MIC 2025, which have, to different extents, focused on enhancing China's capabilities in technology innovation. In addition to these policies, Chinese leaders have appealed to techno-nationalism among Chinese entrepreneurs and scientists, using government funding, official recognition, and supportive policies to encourage private enterprises to invest in strategically vital sectors. These policy efforts have been reflected through China's engagement with Israel under the BRI and the recent increases in Chinese investments in Israel, particularly in the technology sector. Unlike China's engagement with many other BRI participating countries, China's engagement with Israel has been buttressed with Chinese techno-nationalism shared by Chinese leaders and private entrepreneurs.

Chinese President Xi Jinping has long spoken of the importance of "visible" and "invisible" hands for economic activity—that "the market and the government should complement and coordinate with each other" (Xi, 2014). Chinese investments in Israeli technology may be considered to follow Xi's philosophy. Chinese investments have been shaped both by the market as well as by the "hand" of government. Chinese entrepreneurs have been simultaneously motivated by personal ambition to become pioneers in their specialized fields, and by nationalist aspirations and encouragement to strengthen China through enhanced technological capabilities and innovation.

China's increasing investments in Israel were made possible by and have intersected with longstanding Israeli geopolitical goals and national desires. China has not only benefited Israel's economy but has also attracted Israelis who hope for a stable and secure environment and for the international acceptance of their nation. Yet Chinese activity in Israel and in the Middle East at large also poses contradictions for Israelis' policy goals and national identity. Chinese investments provoke Israelis to choose between different national hopes and self-images—for instance, Israel as a "normal" nation; as a nation that defends Jews internationally and not only domestically; as a safe and secure nation; or as a Western, liberal, or moral nation.

The dynamics around Chinese investments in Israel and the economic engagement of Israel illustrate an underappreciated dimension to the BRI. Beneath the hard economic and political exchanges of the BRI lie complex national motives and identities that drive and shape the decisions and activities of policymakers, entrepreneurs, and scientists alike. In other words, the BRI is not just about the flow of cold, hard cash. Much more than that, it involves an interplay of national interests and ambitions, with the success of the BRI relying on how national identities and individuals' personal pursuits shape and respond to one another.

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CHAPTER 19

Development Cooperation Through Maritime Silk Road: China's Big Ambitions and Mixed Responses from Southeast Asia

Xiaoye She

Introduction

Southeast Asia is increasingly under competing spheres of influence by the United States, China, Japan, and Australia. While the United States has maintained or strengthened military ties with countries such as the Philippines, Thailand, and Vietnam, Japan has exerted disproportionate economic influence through private investment, bilateral development assistance, and multilateral development finance via the Asian development bank (ADB). Australia, in recent decades, has shifted its foreign policy focus to the region, fearing China's growing influence in its backyard. Against this backstop, the introduction of the Belt and Road Initiative (BRI) to regional countries presented an opportunity for China to counter these rivals while appeasing regional countries who are increasingly

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concerned about China's rising power and its growing assertiveness over maritime disputes.

In this chapter, I argue that BRI demonstrated a new bilateral approach to China's development cooperation with both nationalist and cosmopolitan elements, which is consistent with the party-state's ideological doctrines of "Chinese dream," "rejuvenation of the Chinese nation," and "community of common destiny" under Xi Jinping's political leadership. As China's new signature foreign policy doctrine in the economic and development domains, BRI is an ambitious bilateral initiative that allows China to pursue a mutual-gain strategy while exerting its power and influence more asymmetrically on host countries. It thus differs from China's multilateral ambitions, such as the Asian Infrastructure Investment Bank (AIIB), or its trade liberalization agenda that still relies on the centrality of the Association of Southeast Asian Nations (ASEAN). As part of BRI, the Maritime Silk Road (MSR) serves China's economic interests in expanding its trade, investment, and development cooperation with countries on its ancient and contemporary maritime trade routes. In Southeast Asia, a region that China considers its backyard, MSR also serves China's political and strategic interests in countering maritime influence from global and regional rivalries such as the United States, Japan, and Australia. Nonetheless, this strategy has intensified great power rivalry in the region, as exemplified by the dramatic increase in bilateral development cooperation initiatives and funding flows towards regional countries.

BRI and intensified great power rivalry have created opportunities and risks for regional countries. As a result, their responses to BRI are often mixed and nationalistic, driven by domestic politics and foreign policy considerations.[1] Regional governments have long carefully managed their relations with China through mixed strategies of balancing, hedging, and engagement (ROY, 2005). As host countries, they constantly adapt their strategies when facing shifting tides of great power rivalries and domestic politics. Initially responded with cautious enthusiasm and some skepticism, some countries have adjusted or altered their responses over time,

[1] For example, Chen (The Jakarta Post, 2022) argues that the primary determinant is changing domestic politics such as ruling elites' priorities and preferences as well as domestic social responses, while external relational factors such as South China Sea disputes and U.S. policy towards Asia were secondary contributing factors. Wang (2022) proposes that variations in foreign policymaking styles and processes among Southeast Asian countries have resulted in different calculations of political and societal risks and therefore varying implications for Chinese-funded projects.

creating more uncertainties and challenges for new BRI projects and ongoing project implementations on the ground. The rest of the chapter is divided as follows. I begin with an overview of China's overall economic statecraft and development diplomacy in Southeast Asia. I then examine how regional countries have responded to BRI and particularly MSR, and how strategic interactions between China and host countries have led to variations in BRI implementation outcomes and even renegotiations of BRI and MSR. By focusing on the development dimension of BRI and MSR, this chapter does not consider more developed cases such as Singapore and Brunei. Instead, the analytical focus is on how maritime developing countries in the region have responded to MSR by looking into the developing cases of Indonesia, Malaysia, and the Philippines.

China's Economic Statecraft and Development Diplomacy in Southeast Asia: Coupling Multilateralism and Bilateralism

Southeast Asia is considered a strategically important region for China given its geographic proximity, its central location to China's maritime development and energy security, and the centrality of the Association of Southeast Asian Nations (ASEAN) in regional multilateralism (Gong, 2020). Since the 1990s, China has actively promoted "neighborhood diplomacy" to improve bilateral relations with regional countries while expanding economic ties through regional trade agreements (Stromseth, 2019). Xi Jinping, the party-state leader since 2013, argues that "the China-ASEAN community of shared destiny" connects to the ASEAN and the East Asia communities. The two sides need to "bring out their respective strengths to realize diversity, harmony, inclusiveness, and common progress for the benefit of the people of the region and beyond" (Xi, 2013).

China's growing influence in the region is first and foremost economic. As Chinese firms expanded trade and investment in Southeast Asia, the party-state has gradually explored new economic statecraft and development diplomacy to steer and support the "going out" waves of Chinese state-owned enterprises (SOEs) and private firms. Before the 2010s, China primarily pursued a multilateral approach and relied on ASEAN as an established regional institution to strengthen economic relations with regional countries. The notion of "ASEAN centrality" was particularly prominent in the creation of the China-ASEAN Free Trade Area (CAFTA) and, more recently, the Regional Comprehensive Economic Partnership (RCEP).[2] Except for some bilateral negotiations with Singapore, China has primarily followed ASEAN's gradual, flexible, and consensual approach to trade liberalization in the region.[3] These ASEAN-centric efforts have continued and expanded in the 2010s. In 2012, ASEAN officially launched RCEP negotiations with China, South Korea, Japan, Australia, New Zealand, and Indonesia. While RCEP is often portrayed as a China-led and a competitor to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the role of ASEAN was vital to RCEP's success as it served as both a mediator and a rule-maker during the negotiation processes. As Petri and Plummer (2020) suggested, the notion of "ASEAN centrality" was deeply embedded in the RCEP framework, and all the negotiations followed the "ASEAN way" based on consensus and flexibility. In 2019, China and ASEAN also upgraded CAFTA to expand trade liberalization to service trade and investment.

China has continued to work through ASEAN multilateralism in the 2010s. However, it has simultaneously adopted a more proactive approach to pursuing national economic and political interests in the region through new investment and development cooperation initiatives. The proactive foreign policy stance is particularly evident under the political leadership of Xi Jinping, who has demonstrated mixed nationalist and cosmopolitan world views. Since 2013, Xi has reformed the party's guiding ideology and political doctrines to promote his nationalist vision for "the great rejuvenation of the Chinese nation" and his cosmopolitan idea of a "community of common destiny" (Xinhua, 2020; Zhang, 2021). Consistent with the ideological and rhetorical shifts, the Chinese government first introduced BRI in early 2015 as a new signature foreign policy for bilateral economic statecraft and development diplomacy. In the same year, China introduced an ambitious multilateral approach to bypass existing global and regional institutions and built the first China-led multilateral development finance institution, namely the Asian Infrastructure Investment Bank (AIIB). BRI

[2] For CAFTA, China and ASEAN signed the Framework Agreement as early as 2002, followed by a series of sectoral agreements and a formal conclusion in 2010.

[3] China also established a separate bilateral free trade agreement with Singapore in 2008, which builds on the China-ASEAN FTA and further liberalizes trade in goods. The China-ASEAN Expo, first proposed by then Chinese Prime Minister Wen Jiabao in 2003, has been held annually to promote trade under CAFTA.

and AIIB thus could be viewed as two complementary strategies to boost China's global and regional ambitions.[4]

The bilateral nature of BRI allows China to impose its asymmetrical power and influence more directly on host countries and to pursue its national political and economic interests more consistently. With its focus on infrastructure and connectivity, BRI provides an opportunity for economic development and infrastructure upgrading in host countries, and a gateway for China to promote greater economic integration and to strengthen political ties with participating countries. Domestically, BRI boosts the economic development of less developed regions and land-locked provinces, solves the industrial overcapacity issues, encourages the internationalization of the Chinese currency Renminbi, and assists the domestic economy transition in China (Albana & Fiori, 2021). The two BRI routes, one through Central Asia to Europe and the other maritime through Southeast Asia, demonstrate China's economic and geopolitical ambitions beyond its immediate neighbourhood.[5] In 2013, Xi visited Indonesia and proposed the "21st Century Maritime Silk Road" to foster maritime cooperation with regional countries and to further economic integration between China and ASEAN. Thus, Southeast Asia serves as a significant BRI destination and a BRI nexus between China and the rest of the world. Through a series of policy directives between 2015 and 2017, China proposed three "blue economic belts" for MSR implementation, including the China-Indian-Ocean-Africa-Mediterranean Belt, the China-Oceania-South-Pacific Belt, and the Arctic-Ocean-Europe Belt (Blue Economic Belt, 2019).[6] Southeast Asian countries are strategically located on two of the three maritime economic belts and therefore play critical roles in MSR success.

[4] At the multilateral front, China has expectedly enjoyed the largest voting power and subscription at the newly formed AIIB, though its ability to use the institution to reach its own foreign policy goals has so far been limited, considering AIIB is a multilateral regional development institution with more than 100 regional and non-regional members who are either donors or eligible recipients.

[5] In 2013, Xi Jinping first introduced the BRI concept during his visit to Kazakhstan, where he proposed greater collaboration between China and Central Asia to build a "Silk Road Economic Belt."

[6] Between 2015 and 2017, the National Development and Reform Commission collaborated with the State Oceanic Administration to elaborate MSR directions through the *Vision and Action Plan for Promoting Co-development of Silk Road Economic Belt and Twenty-First-Century Maritime Silk Road* and the *Maritime Cooperation Proposal for Development of One Belt One Road*.

China's growing ambitions in the region of Southeast Asia have raised significant concerns among its global and regional rivals, particularly the United States and its regional allies. To counter China's growing power and influence, the United States responded first with the Obama administration's "Pivot to Asia", followed by the Trump administration's "Free and Open Indo Pacific Strategy" (FOIP). Both strategies collaborate with key U.S. allies who are also wary of China's rise, such as Japan and Australia. Under the Biden administration, FOIP continues to be an essential U.S. foreign policy doctrine towards Southeast Asia.[7] On the security front, the United States has established the Quadrilateral Security Dialogue (QUAD) between the United States and the three regional powers of Australia, Japan, and India. In development cooperation and finance, both the United States and Japan have refused to join the China-led AIIB despite China's invitation. Instead, they have maintained their dominant position in the Asian Development Bank (ADB) and increased their bilateral aid flows to the region. Together, these initiatives have demonstrated intensified great power rivalry in the region of Southeast Asia.

Varying Responses to BRI in Maritime Southeast Asia

Intensified great power rivalries have brought economic opportunities along with geopolitical risks for regional countries. As a result, regional middle powers and small states' responses are far more ambiguous than the great powers. Among maritime Southeast Asian countries, many have cautiously welcomed the expansion of trade relations and strengthening of economic ties, particularly China's commitments to infrastructure and connectivity.[8] Their initial reactions help explain some level of active engagement across the board. With growing Chinese involvement in development cooperation through BRI and AIIB, the power balance has

[7] In his speech at the University of Indonesia in 2021, U.S. Secretary of State Antony Blinken re-elaborated key points of FOIP including advancing a free and open Indo-Pacific, defending the U.S.-led "rules-based order", strengthening ties with regional countries, guaranteeing "ASEAN centrality", and promoting "broad-based" prosperity through foreign direct investment, diplomacy, trade, while helping closing the gap on infrastructure (Blinken, 2021).

[8] ADB estimated that ASEAN countries need roughly US$3 trillion in infrastructure investment between 2016 and 2030 (ADB, 2017). The *Vision of ASEAN Connectivity 2025* also listed sustainable infrastructure, seamless logistics, and people mobility as its key priorities (ASEAN, 2022).

shifted not only towards China but also these host countries. To the advantage of the regional developing countries, bilateral and multilateral development cooperation and financial flows have increased in recent years. Furthermore, there is now a shared commitment to "return to infrastructure" across traditional and new bilateral and multilateral donors.

Nonetheless, competing foreign policy priorities and changing domestic politics have resulted in variations and shifts in country-level responses over time. Regional middle powers who have their own development and foreign policy ambitions, or countries involved in territorial or maritime disputes with China, are generally warier of China's growing political ambitions and assertiveness in the disputed South China Sea. As the largest Southeast Asian country and a pioneer in South-South Cooperation (SSC), Indonesia has its own maritime and development ambitions that complement and clash with the Chinese visions. Their response to BRI was consistently cautious, gradual, and selective, similar to their attitudes towards U.S. FOIP. Malaysia has warmed up to Chinese trade and investments in the mid-2010s. However, domestic oppositions and nationalist sentiments have grown concurrently, resulting in drastic reversals and disruptions of BRI projects followed by renegotiations and selective engagement. In the Philippines, the rise of Rodrigo Duterte and his pledge to pursue an "independent" foreign policy from the United States has created a window of opportunity for China. Yet, this rhetorical shift has hardly turned into tangible outcomes. The Philippines remains a less important partner to China than Indonesia or Malaysia, and the long-term prospects for bilateral relations remain uncertain as Duterte announced his retirement in late 2021.

From China's perspective, it needs support from these maritime Southeast Asian countries to ensure MSR's success due to their crucial geographic location and strategic importance. China's ambitions thus present significant dilemmas for these countries. On the one hand, they now have potentially conflicting foreign policy priorities on trade, investment, development, political relations, and territorial disputes when dealing with China. For ruling elites, too much bandwagoning with China could jeopardize their political support domestically, especially when facing oppositional politics and rising nationalist sentiments. On the other hand, regional countries must carefully balance global and regional great powers and manage the opportunities and risks of intensified great power rivalry. Expectedly, hedging has become a popular strategy for regional countries, through which they engage with both China and its rivalries rather than taking sides.[9] As the Indonesian former foreign minister Marty Natalegawa described, Indonesia is "not unique" in having close economic ties with China while maintaining strong economic, political, and security relations with the United States (Lumpur, 2019). How these countries adopt and shift specific strategies requires further contextualized analysis of foreign policy and domestic politics in each country. The rest of the chapter examines BRI footprints and analyze the varying responses in three maritime Southeast Asian countries of Indonesia, Malaysia, and the Philippines.

Indonesia: Hedging as a Dominant Strategy

As the largest regional economy and a populous Muslim country, Indonesia is viewed by China as a key partner within ASEAN and a nexus between China and countries of South Asia and the Middle East. Bilateral trade and investments increased dramatically during the 2000s as China entered CAFTA with ASEAN, and Indonesia's post-transition government adopted a more friendly stance towards Chinese trade and investment. The two countries also intensified development cooperation. Chinese bilateral development finance and cooperation have shifted from disaster relief and technical cooperation to infrastructure and connectivity even before BRI and MSR.[10] Bilateral tied continued to strengthen under the presidency of Xi Jinping and Joko Widodo (referred to as Jokowi below) who share visions about SSC and maritime cooperation between two emerging powers. Economically, China and Indonesia have drawn closer both before and after BRI for the past two decades.[11] Nonetheless, this by no means indicates Indonesia has fully embraced its friendship with China.

[9] As Roy (2005) points out, Southeast Asian countries historically have been wary of Chinese domination, and they are more likely to engage in mixed strategies of hedging, soft balancing, and some economic engagement rather than bandwagoning.

[10] Based on project analysis using Chinese development finance data from AidData (2021a, 2021b) and Custer et al. (2021). Some earlier infrastructure and connectivity projects include the 200 MW Jeneponto Coal-Fired Power Plant Construction Project which was constructed by a Chinese private firm and financed by $ the China Development Bank, and the National Air Bridge Project which was financed by a concessional loan from China EximBank.

[11] China became Indonesia's largest trading partner in 2013 and a top export destination, and accounts for more than 16% of Indonesian exports by 2020 (Herman, 2020). By 2020, China has also become one of the largest foreign investors in Indonesia, following Singapore and surpassing Japan (BKPM, 2022).

Driven by foreign policy and domestic considerations, Indonesia has consistently engaged in a hedging strategy to balance China and its rivalries, expanding its maritime power and regional influence while diversifying its trade, investment, and development cooperation portfolio.

Indonesia has its own development and foreign policy ambitions as a developing middle power and the largest economy in Southeast Asia. After independence in 1945 and under Sukarno, Indonesia pursued the policies of "independence and active" (*bebas-aktif*) and non-alignment, by carefully balancing between the Soviet bloc and the West. Under the military dictatorship of Suharto, however, Indonesia turned to the West for trade, foreign investment, and aid. The country retained some SSC commitment to Asian and African countries in the form of technical cooperation. Following democratization in the late 1990s, Indonesia gradually restored a more independent foreign policy and used hedging as a dominant strategy to engage with both the United States and China. President Yudhoyono, after re-election in 2009, for instance, described Indonesia's strategic outlook as "having a million friends and zero enemies."[12]

Before the presidency of Jokowi, Indonesia demonstrated limited ambition in becoming a global or even a regional power beyond SSC, its immediate neighbourhood, and ASEAN. Since his inauguration, however, Jokowi has developed an ambitious plan for Indonesia to become a champion of SSC and a regional and ultimately a global maritime power. Jokowi's plan coincided with China's growing ambitions to become a global land and maritime power under Xi Jinping. During his election campaign and inauguration speech in 2014, Jokowi proposed the new foreign policy doctrine of "Global Maritime Fulcrum" (Po*ros Maritim Dunia,* GMF) to promote Indonesia as a nexus between the Indian and the Pacific Ocean. Jokowi then identified five pillars to support this doctrine, including building Indonesia's maritime culture, maintaining and managing marine resources, prioritizing the development of maritime infrastructure and connectivity, facilitating cooperation and mitigating conflicts through maritime diplomacy, and developing maritime defence forces (The Jakarta Post, 2014).

Jokowi's GMF vision thus overlaps with Xi's ambitions on BRI and particularly MSR, creating some common ground for strengthened cooperation. In 2015, Chinese state media reported that Indonesia's Tourism

[12] In the field of SSC, Indonesia has balanced between the principles of solidarity with Global South countries and pragmatist cooperation with Global North, by pursuing a new integrated framework of South-South and Triangular Cooperation (SSTC).

Minister Arief Yahya said the two visions are "synergy and complementary," and the two countries could work together to focus on sea transportation, industrial parks, and economic zones (Xinhua News Agency, 2015). In the same year, the Chinese ambassador to Indonesia, Xie Feng, praised Indonesia as an "indispensable partner in building MSR" and proposed bilateral cooperation on maritime infrastructure and connectivity, maritime economy, culture, and tourism, as well as human resources and capacity building (Xie, 2015). These points were later reiterated by Chinese and Indonesian leaders and officials in a series of high-level exchanges, including during Xi and Jokowi's meetings in 2016 and 2017 and the meeting between Premier Li Keqiang and Indonesian Foreign Minister Retno Marsudi in Beijing. The two countries soon signed a series of cooperation documents, including the signature Jakarta-Bandung High-Speed Rail (JBHSR). Originally to be financed by the Japan International Cooperation Agency (JICA), JBHSR later became a signature BRI project in Indonesia. China managed to outcompete Japan in cost, implementation speed, and other dimensions (AidData, 2022a, 2022b). The project is now financed by the China Development Bank (CDB) and co-developed by a few Chinese and Indonesian state-owned enterprises (SOEs).

Despite the overlapping interests and commitment to collaboration, Indonesia has not fully embraced BRI. As Yeremia (2021) indicated, the Jokowi government's attitude towards BRI has been so far cautious, while the range, scope, and pace of Indonesia's BRI engagement have been limited compared to other regional countries.[13] This careful approach is illustrated by JBHSR project implementation. Although construction began as early as 2016, the project faced a series of implementation obstacles regarding land acquisition, lawsuits, environmental impact assessment, as well as opposition from local environmental and social groups (AidData, 2022a, 2022b). Although the project was initially scheduled for completion in 2018, it has been pushed back multiple times with a new deadline of mid-2023 (The Jakarta Post, 2022). During the 2019 election, Jokowi's primary opponent, Subianto, launched a nationalist campaign and pledged to re-evaluate Chinese investments related to BRI. His campaign ideas of "smart nationalism" and "Indonesian first" reflected new anti-Chinese

[13] According to AidData (2021a), Indonesia received US$9.54 billion in China's official finance with diplomatic intent between 2000 and 2017. By contrast, Malaysia and Cambodia with smaller economic size received US$12.75 billion and US$8.64 billion, respectively.

sentiments in Indonesia. Like other regional countries, BRI has become an election issue in Indonesia, and incumbent politicians like Jokowi are often criticized for their pro-China policies (PEARL, 2019).

Driven by increasing domestic nationalist sentiments and opposition politics, Jokowi has shifted his foreign policy to play down economic engagement with China while hardening his position on maritime disputes with China. Drifting away from its non-confrontational policy with China in the past, Indonesia renamed the northern reaches of its exclusive economic zone in the South China Sea as the North Natuna Sea in 2017. The renaming was soon followed by the summoning of China's ambassador for a formal diplomatic protest in 2019, Jokowi's personal visit to the disputed Natuna islands, and a close standoff between Chinese and Indonesian naval ships in early 2020 (Reuters, 2020). While diplomats from both countries have played down the possibility of war, these intensified tensions have created additional uncertainties on BRI implementation.

As a middle power that has pursued "independent and active" foreign policy, Indonesia has been relatively successful in mitigating power imbalances embedded in China's economic statecraft and development diplomacy by following a consistent hedging strategy. With intensified U.S.-China rivalry, Indonesia has refused to take a side explicitly. Under Jokowi, Indonesia still receives bilateral official development assistance (ODA) from the United States, although the United States has fallen behind Germany, Australia, France, and Japan.[14] In recent years, Indonesia has maintained security cooperation with the United States to combat extremism and counter China's growing assertiveness in the South China Sea. As a primary audience for the United States' new Indo-Pacific strategy, however, Indonesia has been ambiguous about the U.S. FOIP. Instead, it seeks to pursue its vision of Indo-Pacific cooperation based on Jokowi's GMF and reiteration of ASEAN centrality. While engaging with China's BRI and participating in the China-led AIIB, Indonesia continues to rely on bilateral and multilateral development cooperation with global North partners.[15] Regionally, Indonesia has closely cooperated with Japan, Korea,

[14] Based on data from OECD (2022)and U.S. Department of State and USAID (2022). In 2020, Indonesia received US$200 million from the United States in ODA, compared to US$330 million received by the Philippines and US$67 million received by regional countries on average.

[15] Based on OECD data, Indonesia's top donors in ODA between 2018 and 2019 have been Germany, Japan, France, Australia, and the United States (OECD, 2022).

Singapore, and Australia on trade, investment, and development dimensions. As a Muslim country, Indonesia has also developed close ties with the United Arab Emirates and Saudi Arabia, which have committed to expanding their comprehensive partnership with Indonesia.

Malaysia: Domestic Politics and Reversals

As a small state, Malaysia has been one of the closest economic partners of China in Southeast Asia as well as the earliest and most prominent beneficiary of BRI. As China's power and influence in the region grew, Malaysia engaged with China economically while remaining cautious about its geopolitical and security ambitions. Bilateral trade has grown exponentially since the early 2000s, and China surpassed both Japan and the United States to become Malaysia's largest trading partner in 2009. Bilateral economic, political, and security ties were further strengthened during the tenure of Najib Razak, who later was ousted due to corruption scandals. Power asymmetries in bilateral relations have raised domestic concerns and, over time, triggered new nationalist sentiments against China. Between 2017 and 2019, domestic political turmoil caused significant disruptions to BRI implementation in the country, following the corruption scandals of Najib and his associates. Despite some expectations that Malaysia would revert its engagement policies with BRI, post-Najib governments have resumed their engagement with BRI and pursued a more pragmatist approach to renegotiate and reengage after the political turmoil ended.

Like Indonesia, Malaysia has pursued non-alignment, neutrality, and pragmatism in its foreign policy since independence.[16] When Indonesia shifted its foreign policy orientation to pro-West under Suharto's rule, Malaysia became more suspicious of the West during the long tenure of Mahathir Mohamad as Prime Minister. Between 1981 and 2003, Malaysia sought to strengthen its relations with regional countries, first and

[16] Malaysia has been an active member of the Non-Aligned Movement (NAM) and Group of Seventy-Seven (G77), along with other groupings or coalitions of Global South countries (Ministry of Foreign Affairs Malaysia, 2022). When Mao in China promoted communist insurgency in Southeast Asia, Malaysia's first prime minister Tunku Abdul Rahman pursued a balancing strategy and relied on the West to counter the threat (C.-C. Kuik, 2015). Bilateral tensions later eased as Malaysia established diplomatic relations with China in 1974 and as China adopted reforms and open-up policy in 1978.

foremost with Japan and later China.[17] Under Mahathir, Malaysia adopted the Look East Policy (LEP) to steer Malaysia away from Western influence and deepen bilateral cooperation with Japan. This policy has drawn Malaysia closer to Japan economically and politically and allowed Japan to become the critical trading, investment, and development partner of Malaysia before China's emergence. Multilaterally, Malaysia has primarily pursued small state diplomacy through the ASEAN platform, serving as a founding member of ASEAN and a strong advocate for ASEAN centrality.

Although China became Malaysia's top trading partner as early as 2009, bilateral investment and development cooperation did not fully take off until the 2010s. By 2021, China ranked third among Malaysia's top foreign investors, after the Netherlands and Singapore while surpassing Austria and Japan (MIDA, 2021). Nonetheless, bilateral cooperation remained limited and fragmented before the establishment of BRI. Other than disaster relief donations, the China Export-Import Bank (Eximbank) and China Development Bank (CDB) have provided loans to infrastructure projects in Malaysia since the late 2000s. When China introduced BRI and MSR in 2013, as then prime minister, Najib saw it as an opportunity to promote bilateral investment and development cooperation and help Malaysia gain a "first-mover advantage" as an MSR beneficiary (Ling, 2017).[18] Malaysia's receptiveness to BRI was reflected in open rhetorical support by political leaders in addition to the broad scope of cooperation and rapid implementation on the ground (C.-C. Kuik, 2017). In 2016, Malaysia and China signed a Memorandum of Understanding (MOU) to open a new sea route that connects Kuantan city in Pahang and Huizhou city in China, as part of MSR to boost bilateral trade and investment (Asia News Monitor, 2016). In the same year, the two governments quickly signed more than 30 associated agreements for another signature railway project, the East Coaster Rail Link (ECRL), designed to improve coast-to-coast connectivity in Peninsular Malaysia.

Nonetheless, voices of criticism and opposition soon emerged domestically. The primary opposition party, Parti Keadilan Rakyat, criticized the ruling coalition's full engagement and described China's investments as

[17] Despite its colonial history, Malaysia established diplomatic relations immediately with Japan after it gained independence from Britain in 1957.

[18] Malaysia's then Minister of International Trade and Industry Mustapha Mohamed proposed that ports in Malaysia such as Kuantan, Port Klang, Pinant, and Johor Port could all serve as important links for MSR (Asia News Monitor, 2014).

"too much, too fast, too soon" (C.-C. Kuik, 2017). Others argued that Malaysia should not abandon its principle of ASEAN centrality and that BRI may not bring as many benefits as it claimed (Zakariah, 2017). Countering Najib's commitment to fast-track Chinese port, rail, and other infrastructure projects, Mahathir Mohamad argued during his election campaign in 2018 that BRI projects could result in poor returns and debt burdens for Malaysia. Mahathir promised to suspend ongoing BRI projects and cancel pipeline projects, claiming that Chinese investments and development finance could be a new form of colonialism (Palma, 2018). With strong nationalist and anti-Chinese sentiments domestically, Mahathir won the election with a sweeping victory. Nonetheless, Mahathir's anti-Chinese rhetoric appeared primarily a campaign strategy, since he later toned down his opposition against BRI projects after his post-election visit to Beijing. In response to domestic political changes in Malaysia, China agreed to renegotiations on the projects, as exemplified by a 30% reduction in ECRL project cost (Asia News Monitor, 2019a; Saibal Dasgupta, 2019).

Regardless of resumed engagement and cooperation, Kuik (2015) describes three endurance themes of asymmetry, proximity, and authority in Malaysia-China relations.[19] The pragmatist approach adopted by Malaysian ruling elites to engage with China largely remains limited to the economic domain, with only a few exceptions during the tenure of Najib Razak.[20] To the extent possible, Malaysia has pursued a hedging strategy like Indonesia to preserve its autonomy albeit less consistently. Such strategy is demonstrated by Malaysia's continued engagement with the United States and Japan, tacit support for U.S. military presence in the region, and more assertive stance on territorial disputes with China (C.-C. Kuik, 2015). The episodes of cancellation and renegotiation also indicates that China is far from dominant in bilateral relations with Malaysia. Instead, once BRI projects enter the implementation phase, domestic political and

[19] Kuik (2015) argues that the power asymmetry between the two countries is due to the enormous disparities in territory, population, and resources. This coupled with geographic proximity has forced Malaysia to adopt a pragmatic stance of acceptance towards China's rising power. However, Kuik also argues that domestic politics, in particular ruling elites' preferences, have also shaped bilateral relations as they seek to enhance their own political authority in the domestic arena.

[20] In 2015, China and Malaysia held joint military drills named Peace and Friendship, which marked the first bilateral military exercise between China and an ASEAN country (Asia News Monitor, 2015).

social risks could be high, especially when political instability increases in host countries. Therefore, China had to make concessions to convince Malaysia to engage with BRI again.

Philippines: Elite Preferences and Uncertainties

Across all three cases, the Philippines maintains the closest economic, political, and security ties with the United States despite its changing foreign policy after Rodrigo Duterte came into power in 2016. Economically, Japan and United States have been the Philippines' primary trading and investment partners. The Philippines also falls under the security umbrella of the United States and serves as the only ASEAN country that hosts U.S. military bases and facilities. In addition, its closer geographic proximity to China has resulted in more significant confrontations on the issues of the South China Sea. All these factors have raised doubts about how the Philippines would engage with China on BRI. Still, the Philippines has warmed up to China's BRI, particularly under Duterte's rule, driven by Duterte's "pivot to China" policies. Nevertheless, the Philippines' engagement in BRI remains limited and smaller in scope than Indonesia and Malaysia due to its late participation.

Although the Philippines gained its formal independence in 1946, the country has maintained close bilateral relations with the United States. With a rhetorical commitment to "an independent and principled foreign policy," the Philippines' foreign policy historically was built upon three principles of promoting national security, protecting Filipino nationals overseas, and ensuring economic security (Rosario, 2013). Under the national security pillar, the Philippines has entered defence and security agreements with the United States and its key allies. Economically, the Philippines has maintained close ties with the United States and other Global North countries, though China is quickly catching up as an emerging economic, investment, and development partner. Like Indonesia and Malaysia, China has become the top trading partner with the Philippines in recent years.[21] The Philippines' top foreign investors are the United States with a share of 31.5% of total foreign investment and China with

[21] According to Philippine Statistics Authority (2020b) data, China (including Hong Kong) ranks first as both the top exporting destination and importing country in 2020. When excluding Hong Kong, mainland China ranks first as importing country and third as exporting destination.

13.9%, followed by the United Kingdom, Singapore, and Japan (Philippine Statistics Authority, 2020a). For development cooperation, Japan remains the primary donor in providing bilateral ODA, followed by South Korea, China, and the United States (NEDA, 2021).[22]

Before Duterte's presidency, the Philippines already begun to warm up to Chinese trade, investment, and development finance. The Philippines joined the Chinese-led AIIB in 2015, even though Japan has been its primary bilateral donor and Manila has long served as the headquarters for the Japanese-led ADB. Still, the 2016 political leadership change in the Philippines has contributed to a more radical shift in Philippine foreign policy and greater engagement with China's BRI. When Duterte served as the mayor of Davao city, he asked China to build "a railway just like the one you built in Africa" and "let us set aside disagreements for a while" (Kong, 2016). As he came into power in 2016, he pledged to improve bilateral relations with China and pursue some form of settlement on the issue of the South China Sea. In October 2016, Duterte quickly promised that the Philippines would join China's MSR following his visit to Beijing. China, in exchange, pledged $6 billion ODA to the Philippines for drug rehabilitation, infrastructure, and other sectors (AidData, 2022a, 2022b). His Finance Secretary Carlos Dominguez III said that Duterte envisioned a "golden age of infrastructure" for the Philippines and MSR would allow the Philippines to connect economically with the Middle East and Europe.

Domestic political considerations primarily drove Duterte's support for China's BRI. With BRI funding, Duterte was able to launch a series of programmes and projects that would allow him to maintain popular support. The initial $6 billion pledge from China included funding for Duterte's drug rehabilitation facilities, which helped him fulfil his campaign promises and demonstrate his determination on the "drug war." Economically, Duterte launched the DuterteNomics initiative to transform the Philippines into a high-middle-income country by 2022 through

[22] According to the National Economic and Development Authority, Japan has provided 36.44% of cumulative ODA to the Philippines, in comparison to China's 2.02% and the United States' 1.81% (NEDA, 2021). However, a key difference between the United States and other donors is that the United States provides ODA to the Philippines primarily in the form of grants, while Japan, Korea, and China have all prioritized the use of loans. The Philippines has also relied heavily on multilateral development finance through ADB, the World Bank, and more recently the China-led AIIB. Across multilateral donors, ADB ranks top with a 28.52% share of cumulative ODA to the Philippines, followed by World Bank with 20.97% and AIIB with 3.12%.

infrastructure investment, trade, foreign investment promotion, tax reform, human development, and social protection (Asia News Monitor, 2017a). As part of this initiative, he also announced the "Build! Build! Build" programme, as the Philippines' own BRI, to promote infrastructure development, with a list of over 100 flagship infrastructure projects (Government of the Philippines, 2022). The National Economic and Development Authority (NEDA) was responsible for lining up the flagship projects that China may be interested in participating in while still welcoming other countries to invest in these projects (Asia News Monitor, 2019b).

Although Duterte has promised full engagement with China's BRI, the Philippines did not formally join BRI until 2018. So far, there has not been a signature infrastructure project as in the cases of Malaysia or Indonesia. Chinese involvement in infrastructure projects in the Philippines remains limited, while one dam project is already raising some concerns over its environmental impact. The full effects of Duterte's shifting foreign policy remain to be seen. Duterte's announcement of retirement in late 2021 and the 2022 presidential election have created some uncertainties about the future of BRI in the Philippines.

Meanwhile, elite preferences and public opinion in the Philippines remains divided over growing China's influence. While former president Gloria Macapagal Arroyo has praised BRI and Duterte's infrastructure programmes, others within Duterte's government have voiced their concerns. The Socioeconomic Planning Secretary of NEDA, for example, warned about the possibilities of "massive trade diversion" and "potential dominance of the global yuan" in his speech at the 13th World Islamic Economic Forum (Asia News Monitor, 2017b). Others have expressed concerns over prioritizing loans over grants in Chinese development finance. However, Duterte's government has refuted their claims that it could result in a debt trap for the Philippines (Philippines News Agency, 2019).

The continued South China Sea disputes between the two countries have also imposed a dilemma for the ruling elites in the Philippines. Compared to more consistent hedging strategies adopted by Malaysia and Indonesia, there have been inconsistencies and dramatic shifts in Philippine foreign policy towards China. The country has shifted its stances on the South China Sea issues, while facing divided domestic elite preferences and public opinion on BRI and China's overall growing influence. Although Arroyo as president between 2001 and 2010 was more accommodating to China, Duterte's predecessor, Benigno Aquino III, confronted China more frequently during his tenure from 2010 to 2016 (Chang, 2021). Duterte has played down Aquino's legal victory at the international court and sought to adopt a new accommodation stance towards China. With the 2022 presidential election and Duterte's retirement, BRI's future in the Philippines remains uncertain.

Conclusion

This chapter provides an overview of China's economic statecraft and development diplomacy in Southeast Asia, a region viewed by China as strategically important for BRI and particularly MSR. The outline of BRI and MSR in Southeast Asia shows that the grand design of BRI mainly reflects China's economic and geopolitical ambitions. Nonetheless, the case comparisons demonstrate that its actual implementations are often affected by varying and shifting responses from host countries. Across the three cases of maritime Southeast Asia, Indonesia and Malaysia have adopted a hedging strategy more consistently, whereas the Philippines has struggled to develop a coherent foreign policy towards China and BRI. Domestic politics also come into play across all three cases. However, to what extent they may influence BRI implementation often depends on the nature of electoral politics, preferences of ruling elites, and intensity of nationalist sentiments. While Indonesia has adopted a more cautious, gradual, and selective engagement approach under Jokowi, Malaysia's response to BRI was marked by early full engagement, followed by drastic reversals and disruptions, then finally, a more pragmatist approach of selective engagement. The renegotiations between China and Malaysia indicated that host countries could enjoy greater leverage once a project enters the implementation stage, since China would be more willing to make compromises to ensure BRI implementation success. In the Philippines, presidential priorities and elite preferences have often shaped shifting policy responses towards China and created uncertainties for BRI prospects. These variations across regional middle power and small states indicate more contextualized analysis of BRI implementation is necessary rather than assuming China's unchecked power and influence.

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CHAPTER 20

Conclusion

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In addition to being the nodal point of international relations and Washington's technocrats, China has become the leading economic power. The Chinese GDP runs $17,632 billion to US GDP $17.416 trillion in terms of "purchasing power parity" despite several hundred million citizens living below the poverty line. With a Human Development Index (HDI), China ranks 90th far behind the United States ranked 11th. Moreover, in 2020, while Western economies affected by the coronavirus were in recession, China experienced economic growth of 2.3%, leading the IMF and the World Bank to expect Chinese economic growth of 7.9% in 2021, a trade surplus up by US$535 billion in 2020.

Despite its provocative nature, China's economic nationalism attempts to promote a historical and cultural experience of development policies. In doing so, China's government, its political leadership, diasporas, and citizenship reinvent globalization. Such globalization manifests in various manners ranging from economic and socio-cultural ambitions beyond

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national and regional borders to global cultural behaviours of socio-economic workers, farmers, engineers, entrepreneurs, citizens, policymakers, experts, cities, state's city councils and governments, and States from both home and host societies.

Though China's global Belt and Road Initiative (BRI) policy is provided with a lot of technical questions about development and cultural knowledge of development policies such as the formulation of policies on the creation of Special Economic Zones in countries such as Laos, China uses global diplomatic tools and discourses to cleverly orchestrate its supremacy. First, China proposes to build infrastructures drawing on Chinese norms against access to natural resources. Second, China seeks to maximize the control of its economic cooperation with its partners by occupying strategic spaces including States that have not yet broken with Taipei. Third, China uses history and common global values to organize strategic economic and commercial partnerships. Fourth, China invests in the form of loans at preferential rates pharaonic financial amounts denominated in *US* dollars in the perspective to activate the New Silk Roads launched in March 2013 by president Xi Jinping. Fifth, through these investments China seeks to control economic and commercial policy designs such as the win/win policy always advanced by Chinese elites and replicated by global South actors.

The *Shekou* model which is proposed by China as an alternative global vision of development is similar to the method that enhanced China's economic emergence.

As an attempt to better understand China's BRI globalism and responses brought by different actors in the global society, chapters in this book have contributed to raise the different contexts on when and why does China intervene, how does China intervene, as well as its failures and successes. Specifically, it has been possible to empirically understand China's involvement in Central and Eastern Europe countries in 2008 after a long marginalization of these countries by the Chinese foreign policy (see Ladislav Cabada and Šárka Waisová). Contributions have also put forward a growing global enthusiasm for China's BRI which goes hand in hand with the rise of illiberal and populist discourses in Central Europe countries and anti-EU policies. In negotiating with the countries of Central and Eastern Europe which are also members of NATO, Beijing tends to favour bilateral relations to the detriment of any multilateral framework. China's choices divide politicians, business players, entrepreneurs, and the publics. Moreover, one of the notable effects of these four new partnerships is the following: the choice of China clearly divides politicians, business players, and the public and affects decisions on future development plans of the country concerned. The Chinese confrontational behaviours reveal ideological old wars against Western philosophies. However, the issue of debt operates as an unavoidable policy issue in the Global South.

Through the study of some African regions such as Bifogo in Cameroon and Luena, Caxito, Gandjelas, and Waco-Kungo in Angola, it appeared that the Chinese BRI has an Achilles' heel embodied in official policy discourses about the need to improve the agricultural sector. Although food security and rural economics surround the basis of these China-African partnerships in the context of the BRI, local denials of the Chinese economic model are the modus operandi. Bribery, mismanagement, conflicts of lands, and death of agro-industries surround the practices of new economic nationalisms. Designed economic policy instruments do not reach the expected results. In Angola, oil revenues have hitherto secured the terms of one or more possible restructurings of Angola's debt with their Chinese counterparts. However, the country has not yet filled the gap of a non-diversified economy. In other African countries such as Kenya and Djibouti, the optimism of political leaders takes over. Kenya and Beijing wish to establish new hubs in East Africa. Although Djibouti's subsoil is not rich in natural resources and also faces challenges of the debt, its location at the Africa and Western shore of the Indian Ocean insert this East African region as a future prominent player of BRI.

Another major constatation is that most of the countries in the global South which enthusiastically participate in the BRI have remained authoritarian, underdeveloped, financially intractable, and politically isolated from the Western world. Beneficiary states participating in BRI projects have adopted infrastructure projects with their low-interest rates or even free loans with no conditionality of interfering in internal affairs. Indeed, the cases studied did not allow to deeply look at how beneficiary states managed their respective points of equilibrium—between recourse to debt, as well as a GDP rate that would be able to mechanically cushion the weight—before being integrated into the new Silk Roads. Moreover, the debt argument is taken up by China's detractors such as India, the United States, or Australia in order to delegitimize the Chinese BRI.

The chapters on the theatre of Asia, South Asia, and the Indo-Pacific illustrate these approaches well. Despite the demands for neutrality, the BRI is seen by Australia as a threat to its regional position and position as an Asia-Pacific donor state and Washington's security deputy in Asia and the Indo-Pacific. A middle lane was laid out through Port Moresby. Cunning in its policy towards the BRI has been demonstrated, strengthening its former relationship with Canberra to compensate for the pitfalls that could arise from Beijing's promises. Kazakhstan has joined the China-led Asian Infrastructure Investment Bank to pursue its new economic infrastructure development policy called "Nurly Zhol—Path to the Future". For Kazakhstan, the SREB had many advantages. Meanwhile, China counts on Kazakhstan's help to implement the SREB. In all three cases of maritime Southeast Asia, Indonesia and Malaysia have adopted a more coherent hedging strategy, while the Philippines has struggled to develop a more coherent foreign policy towards China and the BRI. Renegotiations between China and Malaysia have indicated that host countries could benefit from greater leverage once a project enters the implementation phase, as China would be more willing to compromise to ensure the successful implementation of the BRI. These variations between the regional middle powers and the small states of the global South indicate that more contextual frameworks for analysing BRI implementation are needed in order to rigorously examine China's global policy.

The BRI encourages cities to show the best face of China in the world based on its own strengths, mainly related to geography, fate, and context. For instance, Jingdezhen, the porcelain capital of the world, is at the origin of "chinoiserie" between the sixteenth and seventeenth centuries. It also appears as an important protagonist of the BRI. Though Jingdezhen has supported Chinese influence in the world since the eleventh century through the magnificence of its porcelain, the city was chosen to promote Chinese know-how throughout the world. The book highlighted the enormous potential of Chinese cities' diplomacy within the framework of the BRI to defend cultural goods on behalf of China using various cultural and marketing tools such as artisanal knowledge and access to history, destiny, and different geographies.

In addition, the book has described and explained how social media and networks use popular discourses to promote Chinese nationalists as an opportunity to explore the global public sphere and confront global policy opinions. It saliently appeared that social media have offered China and the Chinese the opportunity to explore and connect opinions inside and outside the country. Understanding the voices of the publics connected inside and outside China is an opportunity to stay involved in the defence, securitization control of BRI policy discourses through deliberation, administration of political issues at home and abroad, opinion on the BRI, while also being able to instantly verify and consult how the Chinese of the Russian and overseas territories perceive the foreign policy of their nation. This takes on its full importance insofar as the Chinese BRI can quite be articulated to the philosophical convictions of the leader who pilots it. In view of the notion of operational code, Xi would exert a real influence on China's foreign policy. Despite the fact that compromises between the interests and the beliefs of several individuals and/or institutions are likely to emerge within the political regime, it has been demonstrated that Xi's strong personality allows him to exert significant influence on the development of Chinese foreign policy. Finally, the most important policies include the BRI but also the MIC 2025, which have focused, to varying degrees, on building China's capacity for technological innovation. In addition to these policies and by using government funding, official recognition, and supportive policies to encourage private companies to invest in "strategic" and "vital" sectors, Chinese leaders have mobilized a form of techno-nationalism among Chinese entrepreneurs and scientists. Chinese entrepreneurs demonstrate strong personal motivation of becoming pioneers in specialized fields and contribute to China's aspirations to strengthen the "Chinese" global ambition through improved technological capabilities and innovation. The momentum around Chinese investment in Israel has illustrated an underestimated dimension of the BRI. In other words, the BIS is not just about the flow of cold, ringing money. Much more than that, it involves an interplay of national interests and ambitions, with the success of the BRI resting on how national identities and individuals' personal goals shape and respond to each other.

Over the pages of this book, it has thus gradually been described and explained how the Chinese BRI can in no way be summarized by the flows and stocks of investments or the provision of services offered by China. Indeed, individual motivations and complex national identities enrich, guide, and shape the decisions and activities of policymakers, entrepreneurs and scientists, and social workers.

The various social contexts of the authors of this book were a strong advantage in implementing interpretive methodology across the volume in studying the BRI, independently of the directions of such methodology in the book.

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[1] Note: Page numbers followed by 'n' refer to notes.

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