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Reports of Belt and Road's Death Are Greatly Exaggerated
Don't Underestimate China's Resilience
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With the vast, ambitious investment project known as the Belt and Road Initiative (BRI), China meant to pull the world closer, making itself the political and economic center of gravity for more than 60 countries within the project's sweep. But domestic and international opposition to the initiative has mounted in the five years since President Xi Jinping announced its start. [Intellectuals within China](#) [1] have expressed concerns about wasteful spending and overstretch. Several governments that were initially enthusiastic about Chinese investment have faced popular backlash to the terms of the loans and the potential for corruption. And the United States has recently joined countries in Europe and the Indo-Asia-Pacific region in an effort to counter the Chinese endeavor with an alternative investment scheme.

Instead of expanding its "[circle of friends](#) [2]" and gaining influence, China seems to have done the opposite, spurring a group of disgruntled countries to band together to resist its predatory practices. [Some observers](#) [3] claim that the Chinese leadership fails to understand the dynamics that have led other countries to push back and that this blindness increases the likelihood that Xi's "[project of the century](#) [4]" will soon become a fiasco.

It would be premature, however, to write off BRI. The project remains the core of China's foreign policy strategy. Since the 19th Chinese Communist Party Congress in October 2017, BRI has been enshrined in the party's charter, and its corollary, the "[community of shared future for mankind](#) [5]," has been included in the Constitution of the People's Republic of China since March 2018. Beijing is due to host its second Belt and Road Forum, an international planning and brainstorming event for heads of state, in April 2019.

Moreover, China's leaders are not surprised by the current pushback. Rather, they envisaged it as a possibility from the beginning. Far from being paralyzed, the central government has taken measures to respond: since the end of the summer, Xi has been pushing back against the pushback. This course correction does not alter BRI's fundamental vision and objectives but rather follows a well-known Leninist precept: "If you strike steel, withdraw; if you strike mush, advance."

THE BACKLASH IS REAL

Resistance to BRI first became apparent in 2015. That year, Indonesia and Thailand both discontinued high-speed railway projects that China had underwritten because of differences with Beijing over financing and land acquisition. In 2017, Bangladesh decided to work with Japan—rather than China, as it had initially agreed—to build its first deep-water port. That same year, Nepal canceled a deal it had struck with China to build a hydropower plant. And bigger setbacks were soon to follow.

The government of Sri Lanka had borrowed heavily from China to build its Hambantota port. By the end of 2017, the port had failed to pull in traffic, and Sri Lanka could not pay its debts. The Sri Lankan government decided to cede the port to China for 99 years. The transfer sparked worldwide alarm about Beijing's strategic intentions, along with allegations that China was setting a "debt trap" for smaller countries, which would fall increasingly under its control. Recipients of Chinese loans took heed. In May 2018, Malaysia's prime minister, Mahathir bin Mohamad, announced his intention to renegotiate his country's contracts with China, describing them as "unequal treaties" and a "new version of colonialism." The Maldives, Myanmar, Pakistan, and Sierra Leone soon raised concerns about their own BRI projects and began to reconsider the scale and scope of their cooperation with China.

Critical news media reports and academic studies largely drove the shift in sentiment within Belt and Road countries. The Hambantota case, in particular, served as a wake-up call for countries that fear sliding into unsustainable debt. With such a cautionary tale in mind, governments are likely to negotiate BRI contracts more carefully with Beijing. Moreover, in the last two years, other potential investors have emerged on the scene: the Asia-Africa Growth Corridor, negotiated between African countries, India, and Japan, was signed into being in May 2017; and this fall, the European Union unveiled a plan for investing in Asia's infrastructure. These alternatives will supply local governments with leverage to bargain for better terms from all potential lenders, including Beijing.

THE LONG VIEW

China's leaders appear undaunted, not least because the change in international perceptions did not come as a surprise to them. To the contrary: Beijing anticipated a backlash from the start. Chinese experts wrote papers for decision-makers envisaging many potential stumbling blocks [6], including the Belt and Road countries' complex sociopolitical environments, with which China was not always familiar; the possibility of local conflicts or terrorist attacks stemming from the project or targeting its investments; and the criticism that would likely emanate from both jealous great powers and reluctant recipient countries.

The Chinese leadership is not cavalier about the headwinds BRI now faces. But its assessment of the pushback is likely more measured than that of some Western commentators [7]. And to the extent outside analysts anticipate that Beijing will fail to understand the problems, to respond to them, and hence to accomplish its objectives, China's response will likely defy expectations, too.

The stalled projects that have drawn attention recently are only part of the BRI story. According to official Chinese sources [8], during the past five years more than 80 Chinese state-owned enterprises have undertaken over 3,100 Belt and Road projects. Even accounting for some inflation of those figures, the sheer scale of Belt and Road dwarfs the number of failures that have come to public attention. And some of the countries that put projects on hold in 2017 have already come back to the negotiating table: Nepal did so after a new government came to power in February 2018; Mahathir has confirmed that his country still wants to be part of BRI; and Myanmar intends to allow the Chinese to develop its Kyaukpyu port project, even if on a more modest scale than initially imagined.

The Hambantota story inspired such wariness that it may not soon be replicated elsewhere. Even so, with the Sri Lankan port in hand, China has gained control over one of the Indian Ocean's most important strategic positions for the next century. From Beijing's perspective, the gathering storm of criticism may look like a tempest in a teacup—easily weathered for long-term gains.

XI'S NEXT PHASE

Xi hardly seems like a leader inclined to give up his ambitions because of a few complaints. His anticorruption sweep, and his purging of potential challengers, provides ample evidence of a leader willing to eradicate rather than accommodate those who do not fall into line. Nevertheless, the Chinese leadership is not tone-deaf, and evidence suggests that it has recently undertaken a slight course correction, adjusting not BRI's objectives but its tactics.

In August of last year, Xi chaired a high-level symposium to mark Belt and Road's fifth anniversary. Leading officials, business representatives, and provincial delegates told Xi that the project was going well: the conceptual work was done, and BRI was gradually transforming from vision to reality, having laid roots in the participating countries and made its presence felt internationally. Xi did not dwell on revisiting the events of the past five years as much as on setting the direction for the project's next phase. He compared the work already accomplished with the bold strokes of a Chinese freehand painting style called xieyi [9] and declared that the time had come to shift to the gongbi style, in which the painter carefully traces the sharp details and fine lines.

Xi gave specific guidance for this detail work. The needs and sensitivities of local governments and populations would be better taken into account. Big government-to-government projects had been a great kick-start for BRI, but now was the time to add small-scale projects that responded to the immediate needs of local populations. To make the case that BRI would benefit the masses and not just the elites, Xi called for more people-to-people exchanges (such as education programs, tourism, and cooperation in science, technology, and culture). Propaganda would focus on the positive impact of Belt and Road projects on daily life. China's message to governments, especially in the so-called Global South, would be to promote a "fair and equitable governance system": one that opposes protectionism and preferential trading agreements, offers tangible financial rewards, and supports the local countries' own development plans.

Xi called on various Chinese entities to make good on their responsibilities for BRI's success. He instructed the Communist Party to strengthen its leadership and oversight, particularly in risk assessment and mitigation. Chinese companies operating overseas must act as "BRI ambassadors," making sure that their behavior and practices reflect well on projects that are "worthy of praise." Finally, Chinese provincial governments, each of which conducts its own economic diplomacy with its near abroad, should ensure that BRI connects back to them by promoting the project and using it to achieve their own development objectives. In advancing BRI, Xi insisted, "there are no bystanders."

SHARED DESTINY

The Belt and Road Initiative is not just about building infrastructure or even sowing economic cooperation. Rather, as Xi made clear during the August symposium, China considers the project nothing less than a means to "improve the global governance system" and to bring forth a "community of shared destiny."

In other words, Belt and Road reflects Beijing's vision of its role as a great power atop a China-centric regional order—one free of the liberal rules, norms, and values that Beijing rejects as relics of an unfair and obsolete order led by the West. The initiative lies at the core of the Communist Party's grand strategy, which means the leadership will not easily abandon it. But BRI is also a laboratory. Having put aside Deng Xiaoping's admonition that the country should "keep a low profile" in international affairs, the party leadership is feeling its oats and, in Xi's words, "striving for achievement [10]." But it is still "crossing the river by feeling the stones" (another Dengism). Because this is the first initiative Beijing has undertaken on such a grand scale, the communist leadership understands that time and effort may be required for both the party and the outside world to adapt.

The Communist Party is doing exactly that. Western observers should not overinterpret signs of pushback to the Belt and Road Initiative as harbingers of its failure, nor should they underestimate the capacity of the Chinese Communist Party to adapt and learn. As the United States and other countries contemplate how best to defend their version of a free and open international order, the Chinese leadership has already begun to make its next move.

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[1] <https://www.nytimes.com/2018/06/29/business/china-belt-and-road-slows.html>

[2] http://www.china.org.cn/node_7247529/content_40569136.htm

[3] <https://www.foreignaffairs.com/articles/china/2018-10-24/why-democracies-are-turning-against-belt-and-road>

[4] http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm

[5] <https://www.power3point0.org/2018/01/23/examining-chinas-community-of-destiny/>

[6] <https://www.nbr.org/publication/chinas-eurasian-century-political-and-strategic-implications-of-the-belt-and-road-initiative/>

[7] <https://www.reuters.com/article/us-marino-china-commentary/commentary-inside-the-growing-backlash-against-china-idUSKBN1EY236>

- [8] <https://gbtimes.com/chinese-state-enterprises-undertake-over-3100-belt-and-road-projects>
- [9] <http://www.dailyartmagazine.com/qi-baishi-chinas-master-of-the-ordinary-in-an-extraordinary-way/>
- [10] [http://www.imir.tsinghua.edu.cn/publish/iis/7236/20120308004022054904369/2013-9\(1\).pdf](http://www.imir.tsinghua.edu.cn/publish/iis/7236/20120308004022054904369/2013-9(1).pdf)