Belt and Road from the Ground Up

Speaker: Jacob Mardell, Freelance Researcher, Mercator Institute of China Studies

Chair: Amb. Vijay Nambiar, Honorary Fellow, Institute of Chinese Studies

Date: 4 March 2020

Venue: Seminar Room, ICS Delhi

The seminar focused on the speaker's field research through various BRI countries, which he undertook since March 2019. Within these various countries, he spoke specifically about the Western Balkans and Central Asia.

In his opening remarks, the speaker stressed on the fact that there were different interpretations of the BRI, and mentioned the factors and background that led to his own interpretation. He then touched upon the difficulties manifest in trying to define the BRI in a particular way. Whether a top-down or bottom-up approach, the lack of adequate structures in the form of a list of BRI project or a committee sanctioning different ventures, studying the BRI is markedly complicated. The speaker then presented ten BRI policy goals he distilled from different projects and the official statements associated with them, ranging from making Chinese firms globally competitive to 'winning friends and influence'. He remarked that a lot of these goals, and even the projects are pre-2013, much before Xi Jinping elevated its stature. To Mr. Mardell, the BRI is a guiding foreign policy concept in conjunction with a campaign slogan. In formalising aspects of China's foreign policy under the BRI, it signals intent to the world and also galvanizes state machinery in order to achieve it.

The speaker then spoke about the Western Balkans, first providing a background to the region, its strategic importance, and the different countries involved. While the proportion of Chinese loans and foreign direct investment is not significant yet, Chinese presence is noticeable in the region. Serbia, being the biggest market and having adequate infrastructure is the focus of Chinese involvement in the region. Projects here include the Budapest-Belgrade railway, metro systems, industrial parks, copper mining and smelting, and coal plants, with the Smederevo steel plant considered a poster-child of Sino-Serbian relations. The Exim Bank of China has also provided $3.18 billion for transportation and energy projects.

Outside Serbia, projects include a solitary project in Montenegro by the China Road and Bridge Corporation, and a controversial coal plant in Bosnia & Herzegovina. Chinese involvement in Macedonia includes two highways, both 'scandalously' long-delayed, as evinced from Mr. Mardell's visit to one of the construction sites. Some projects hold potential in Albania, and as China does not formally recognize Kosovo, there are no BRI projects there. The speaker predicted that China's economic footprint would continue to grow in the region, but other European countries were expected to have more sway considering their proximity to the Balkans. Mr. Mardell also expressed surprise at how pro-Beijing the region was, especially in Serbia. He stipulated that many in the region see China as a foil to the European Union. China is respected because it finances projects that local governments want funded, while the EU is seen as 'patronising, bossy, and demanding'. While China is seen as a contingency plan in the region, the region is also a second choice for China because of its proximity to the EU. Summing up this section of the presentation, the speaker said the EU was the biggest threat to EU interests in the Western Balkans.

With regard to Central Asia, the speaker said there were simply too many projects to list out, a reflection of China being a true regional force. Uzbekistan was characterized as the biggest Central Asian market, due to recent reforms and good relations in the neighborhood. Chinese investment in the country is primarily in the manufacturing sector, railways, and the establishment of Special Economic Zones. While the speaker could not visit Turkmenistan, he summarized the country's significant dependence on China. Thirdly, China's investment in the cotton, coal, goal, manufacturing, resource extraction, and many other sectors in Tajikistan is significant, with the country's political establishment leaning very heavily to China. China's interest in the country also lies in its southern region, where it shares a border with Afghanistan. Tajikistan is an important case study because it attracts very little interest from other countries, with China seizing the opportunity to capitalize on an under-populated market and providing a great number of jobs. Also of note was the taboo the speaker noted against criticizing China. This was at odds with the speaker's experience in Kyrgyzstan, where despite being a fragile polity in need of infrastructure, there exists a certain degree of wariness about China. This prevails despite Chinese assistance with mining, power transmission, road projects, mineral processing, among others. Lastly, Mr. Mardell spoke about China's influence in Kazakhstan, most prominently owning a quarter of the oil and gas sector in the country. The country seemed receptive to Chinese assistance, especially in the sphere of logistics and infrastructure. Also of note was a cooperation framework that detailed 55 projects for a stated outlay of $ 24 billion.

Though China's presence in the region appears sizeable, a significant obstacle to closer relations is widespread Sinophobia stemming from historical animosity and racism. Some of this may have its origin in Soviet propaganda after the Sino-Soviet split, building on the considerable gulf between Central Asian and Han Chinese culture, now manifesting in instances such as China's treatment of the Uyghurs. According to the speaker, China could do a lot more in bridging these differences between the countries, as existing soft power efforts appeared to be clumsy despite the population acknowledging China as the next superpower.

To sum up, Mr. Mardell characterized the BRI as opportunistic and driven by the aforementioned policy goals. He emphasized that connectivity in the BRI was far more complex than it was made out to be, not being a single route/pipeline connecting China with Europe but rather a sum of various local projects.

The discussion that ensued focused on parallels with the Blue Dot network, Chinese linguistic interests in Central Asia and Europe, Russian influence in Central Asia, private sector involvement in the BRI, and labour practices. Other questions raised included a comparison of the pre-BRI and post-BRI situation in the two regions, China's management of Sinophobia, and the makeup of companies on the receiving end of Chinese investments.

This report was prepared by Samanvya Hooda, Research Assistant, Institute of Chinese Studies.

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