

CSIS

CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

The Emperor's New Road: China and the Project of the Century

Jon Hillman

Director of the Reconnecting Asia Project

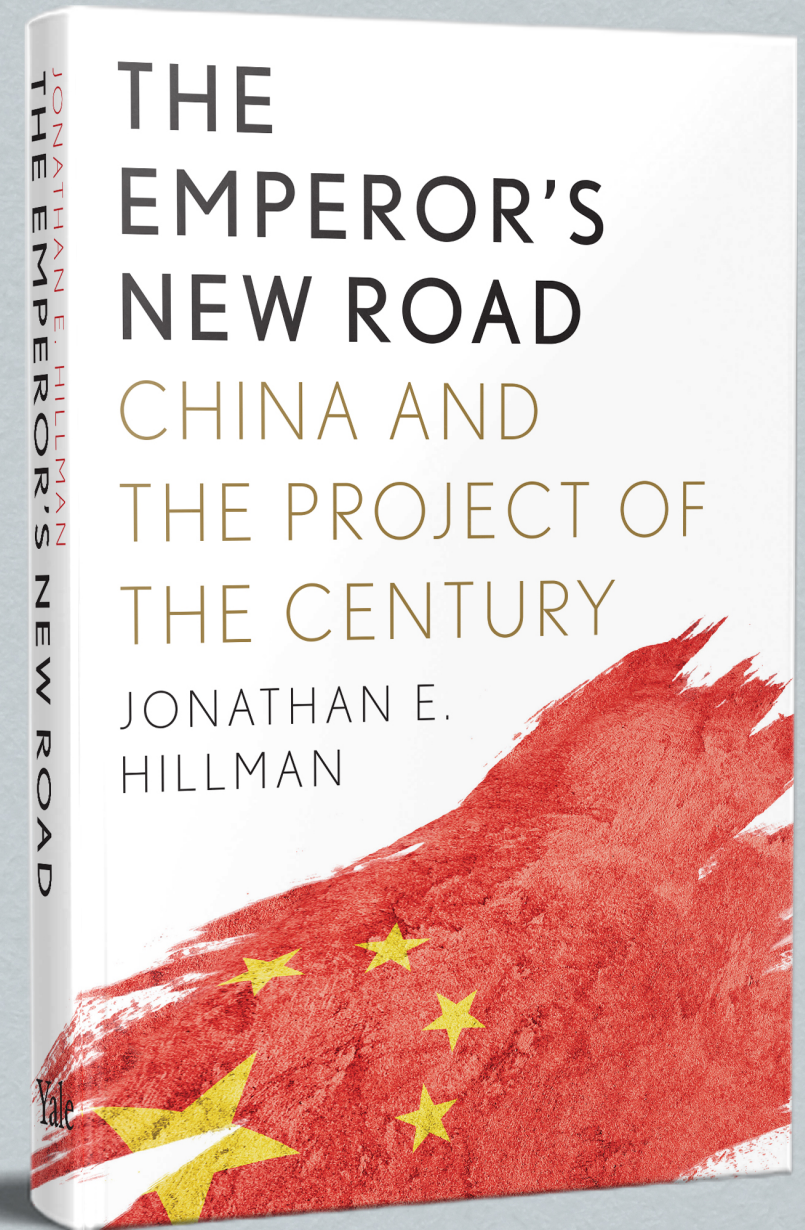
jhillman@csis.org | <https://reconnectingasia.csis.org/>

October 16, 2020

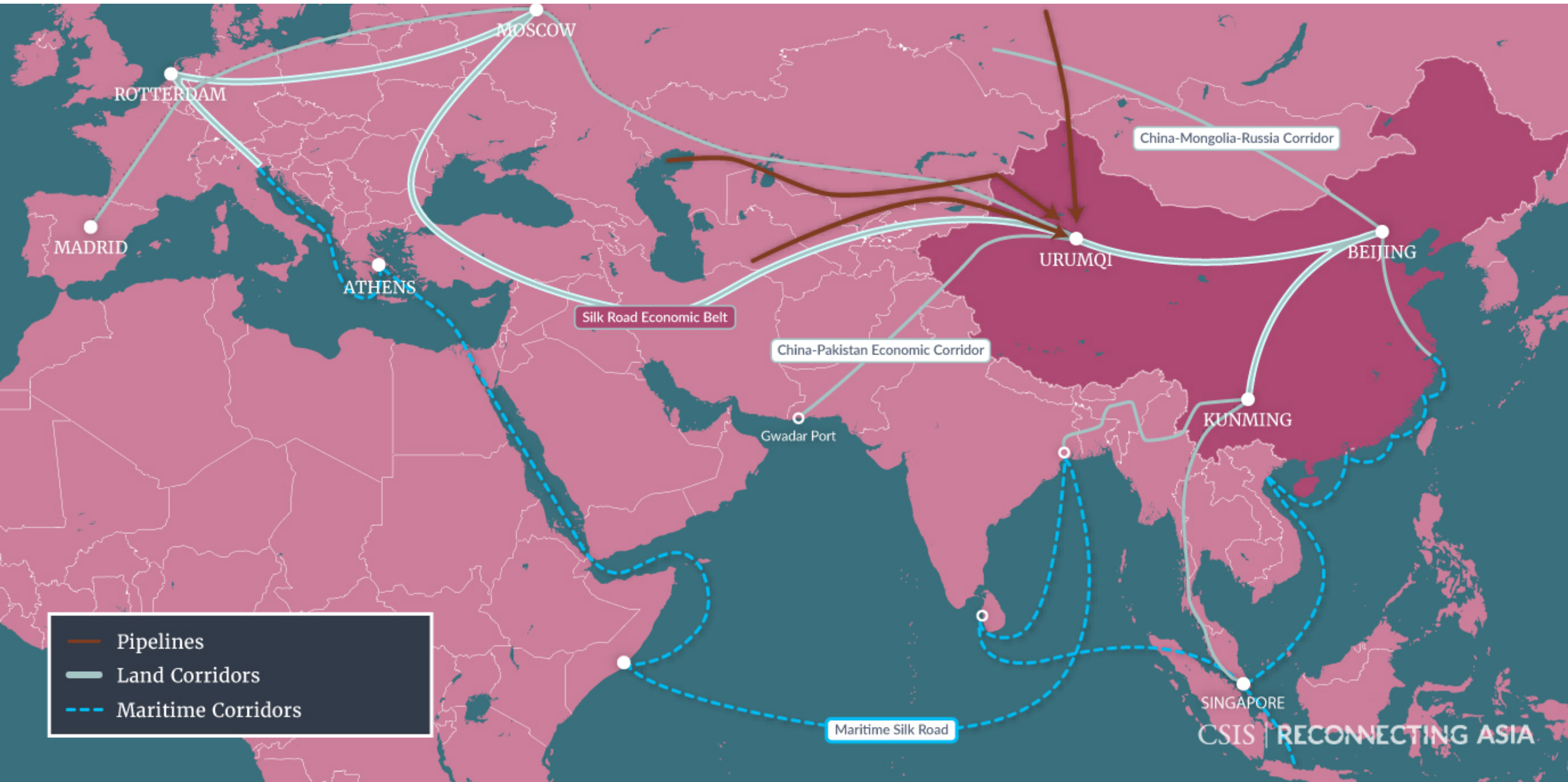
Overview

1. Belt & Road hype
2. Reality on the ground
3. What's ahead

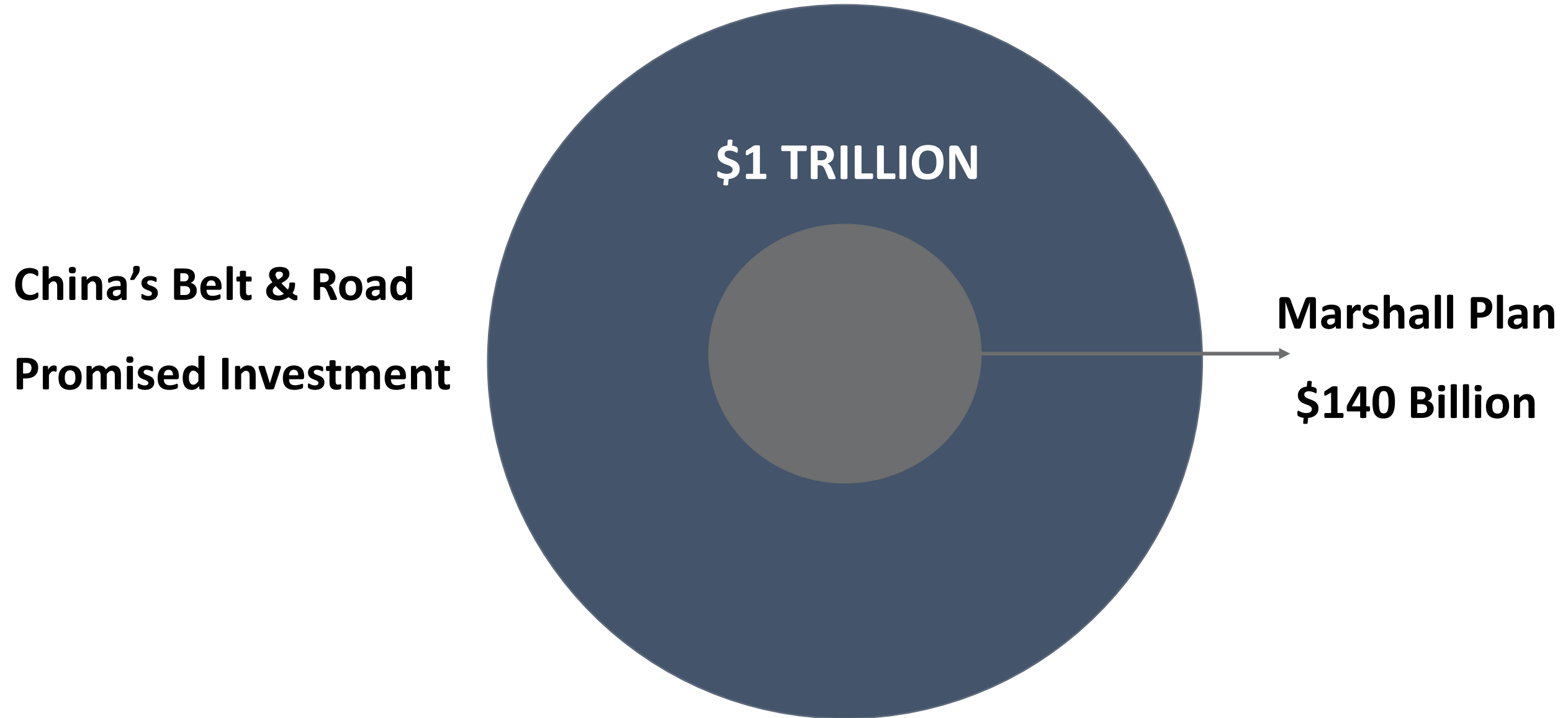
Book: <http://bit.ly/BeltRoadBook>



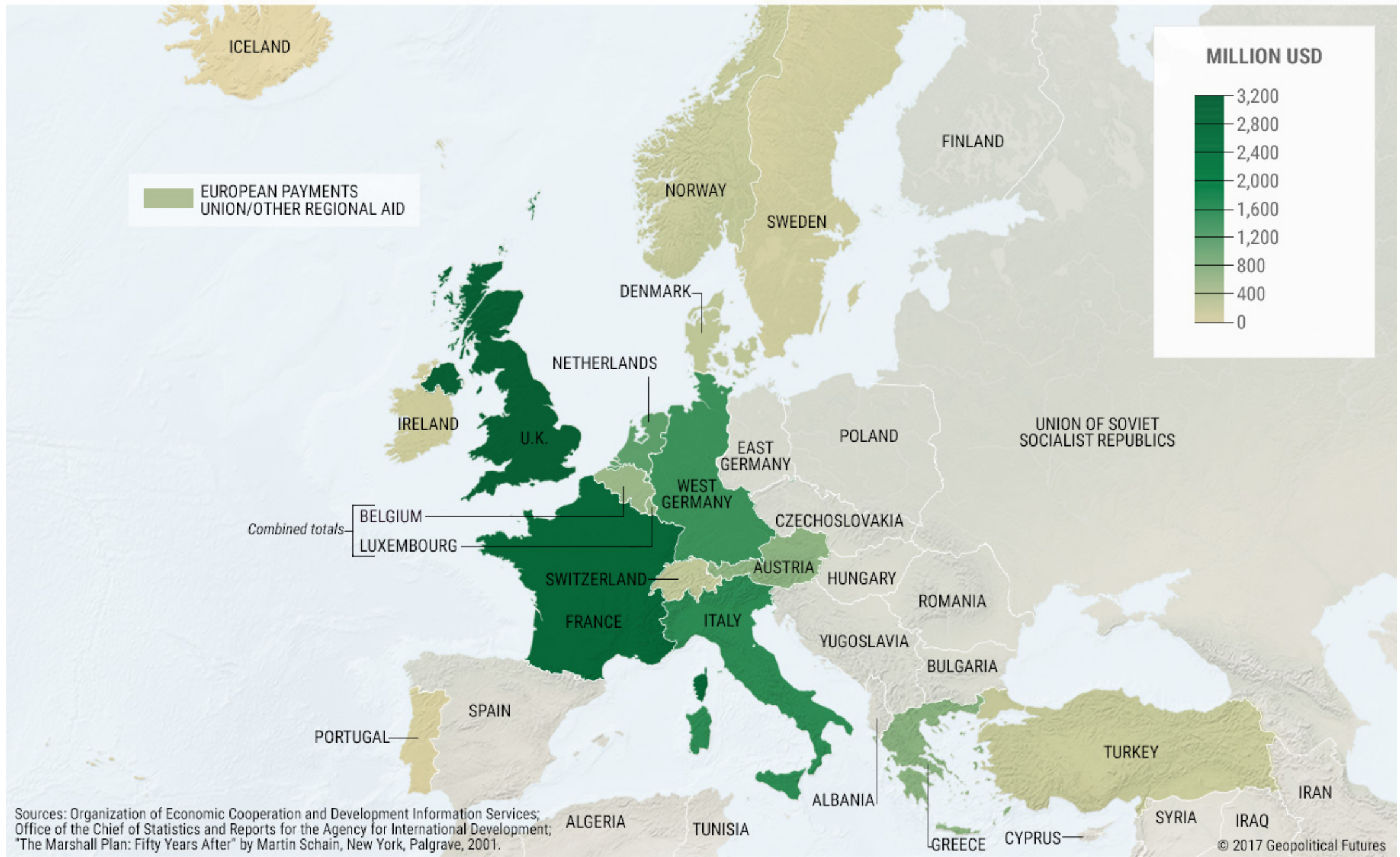
Great Expectations: China's Vision



China's Marshall Plan?

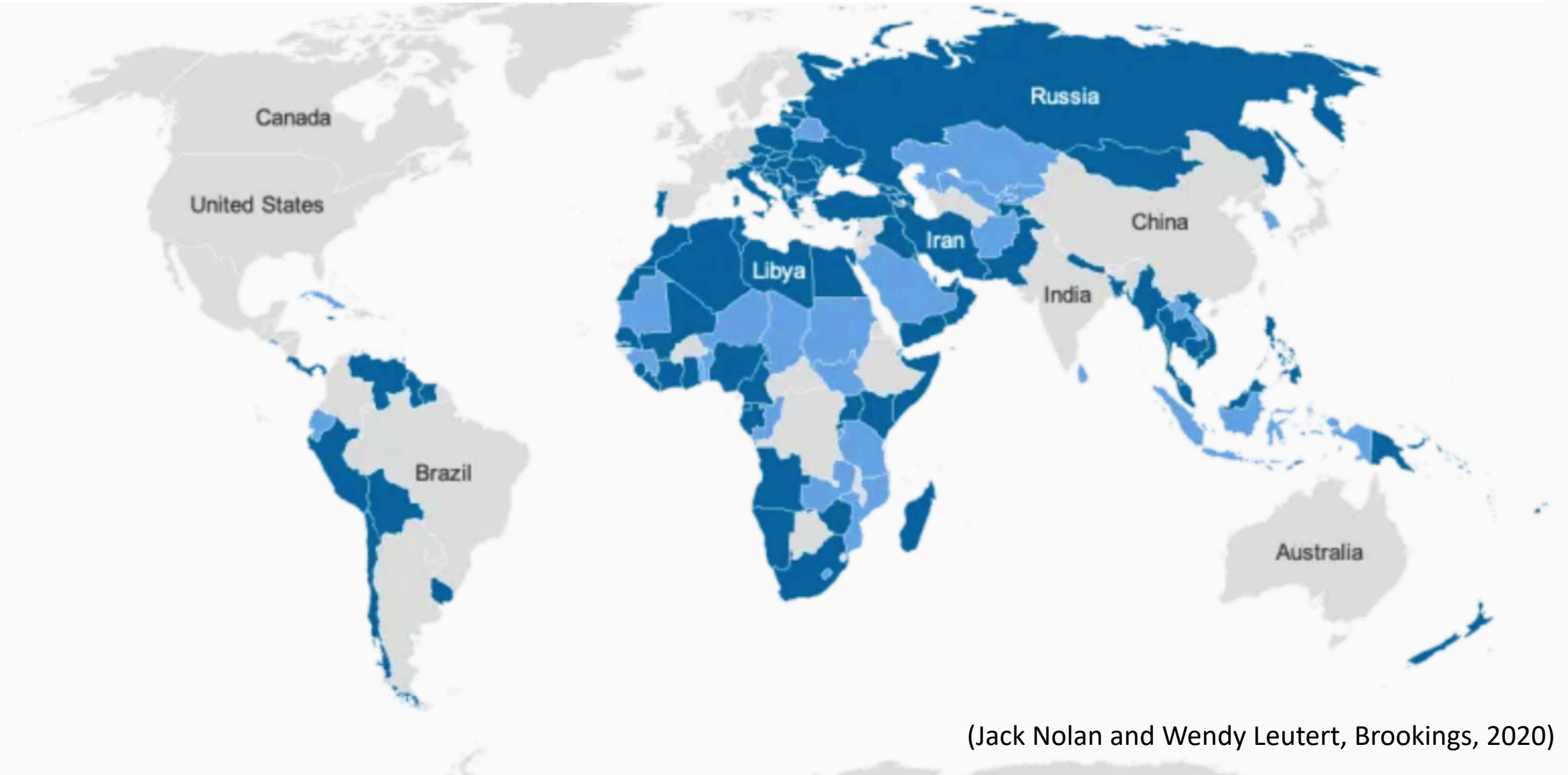


U.S. CONTRIBUTIONS TO THE MARSHALL PLAN COUNTRIES, 1948-1952



Sources: Organization of Economic Cooperation and Development Information Services;
Office of the Chief of Statistics and Reports for the Agency for International Development;
"The Marshall Plan: Fifty Years After" by Martin Schain, New York, Palgrave, 2001.

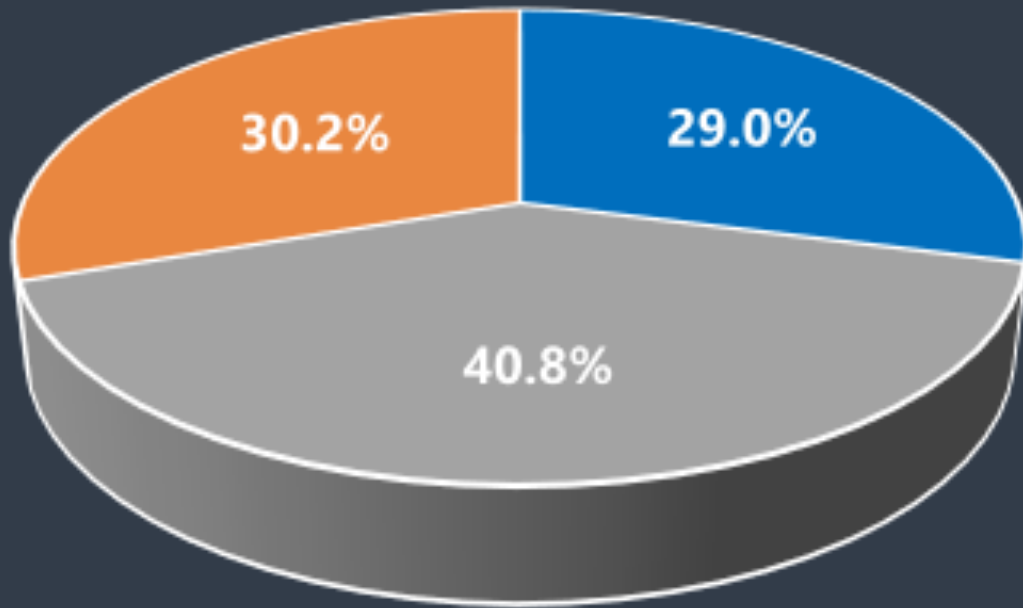
Belt and Road Participation



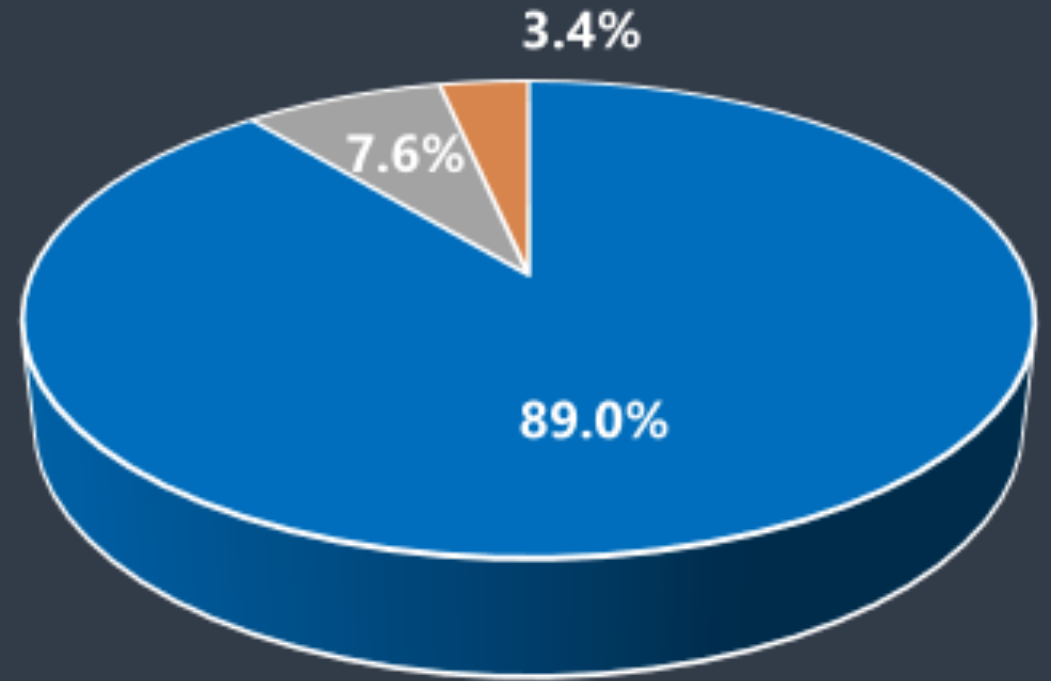
(Jack Nolan and Wendy Leutert, Brookings, 2020)

Disappointment: Win-Win?

Multilateral Bank Projects



China-Funded Projects



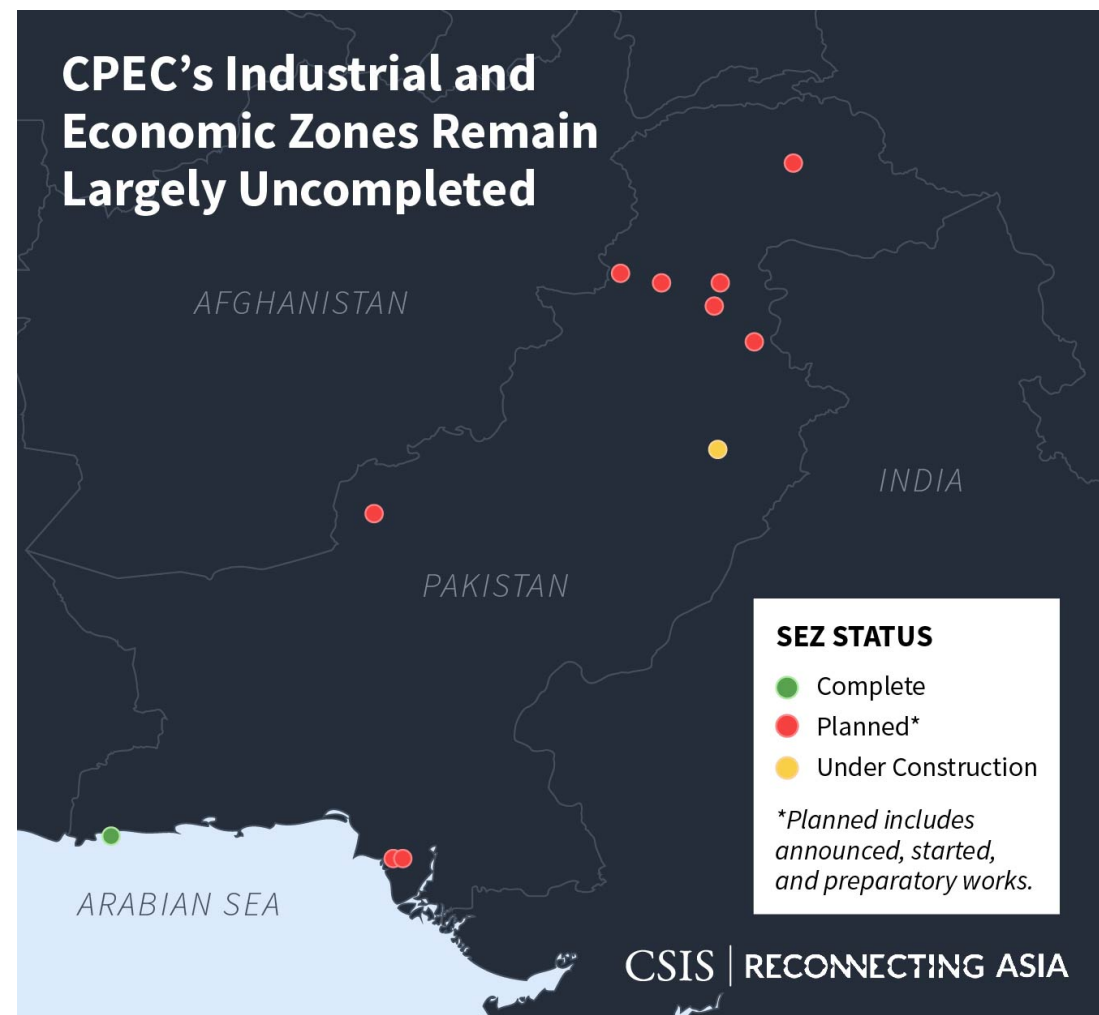
 Chinese Contractors

 Foreign Contractors

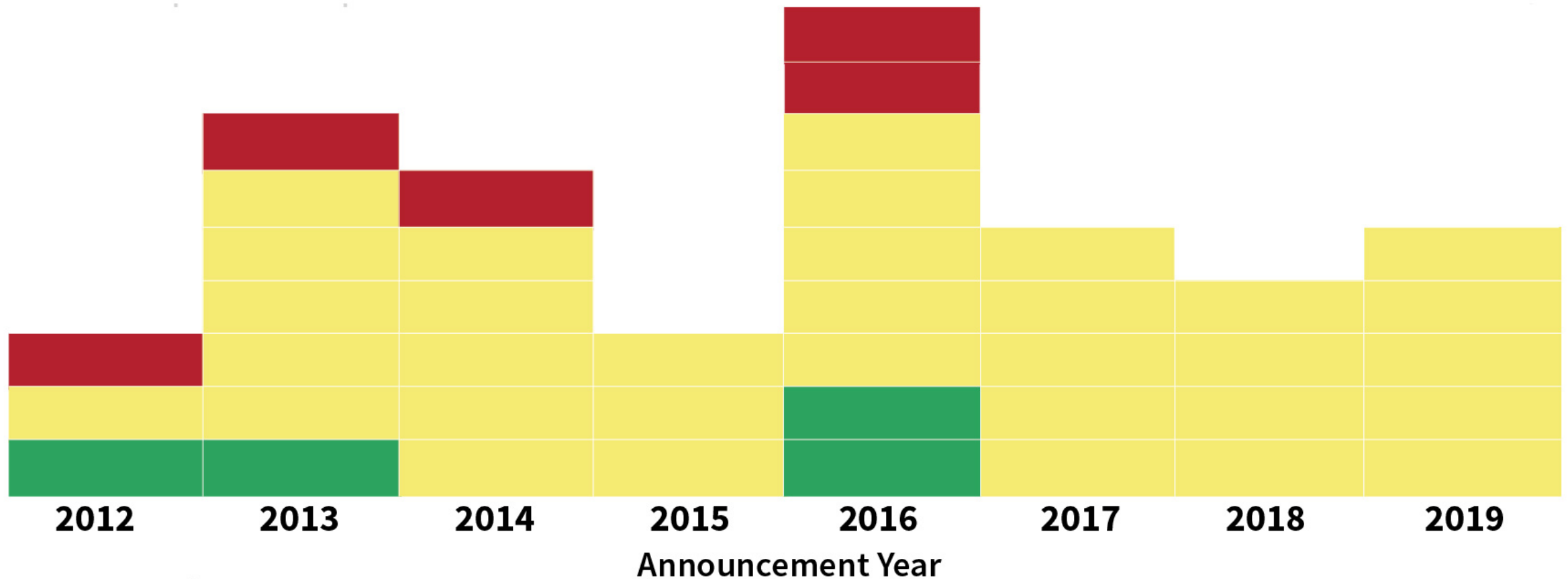
 Local Contractors

China-Pakistan Economic Corridor: The Flagging Flagship

Tracking CPEC Project Progress



Unmet Promises: Projects in the W. Balkans



Status as of January 2020:

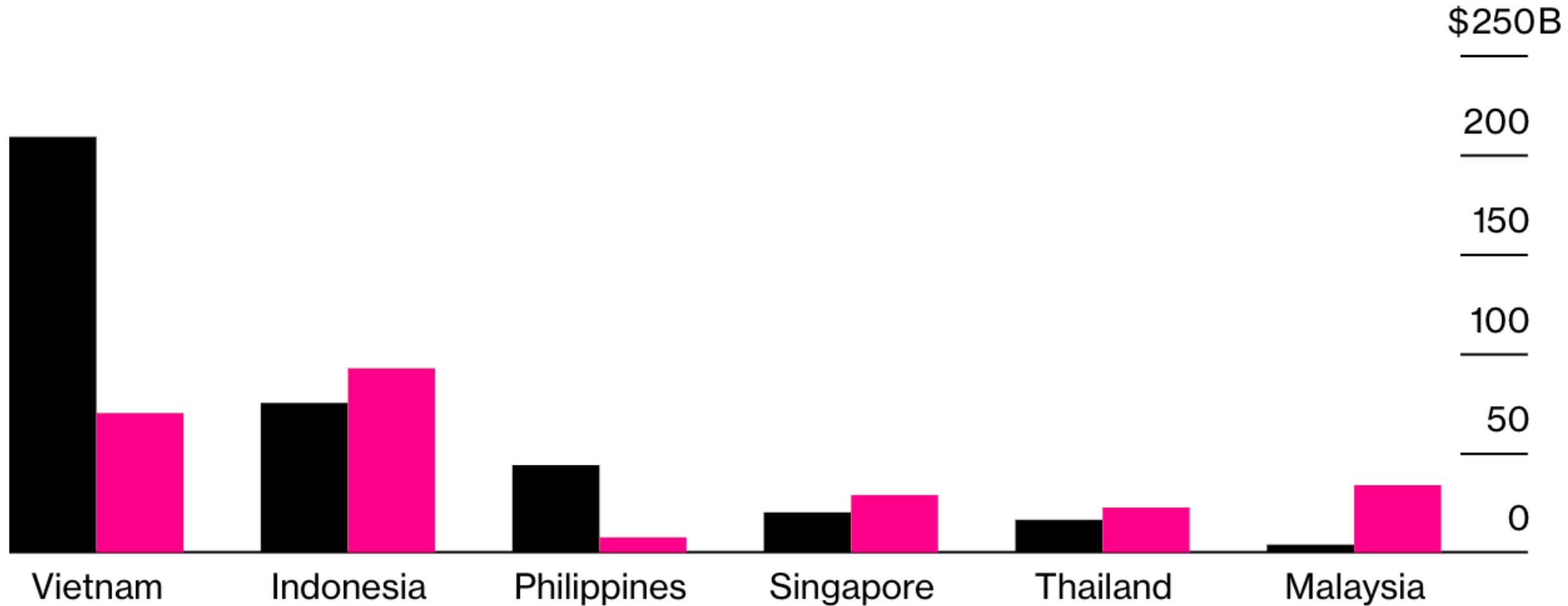
■ Complete ■ Stalled ■ Announced through Under Completion

1 square = 1 project

Building Battles

Japan far outpaces China in value of infrastructure projects in Southeast Asia

■ Japan ■ China



Source: Fitch Solutions (data provided 18 June 2019)

(Bloomberg)

Hitting the breaks?

billions of current U.S. dollars

A Management Nightmare

No criteria

Lack of transparency

Poor oversight

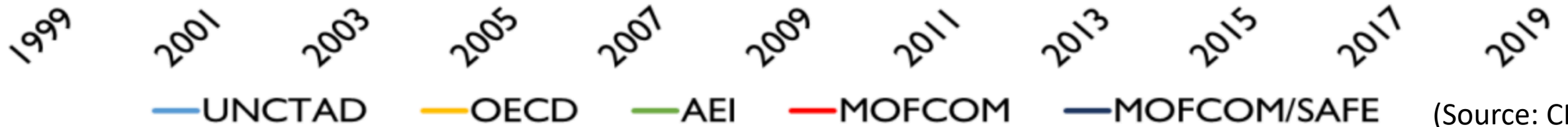
Additional Challenges

Most large projects disappoint

Risky markets

Reluctance to cancel projects

Going it alone



(Source: CRS)

BRF

第二届“一带一路”国际合作高峰论坛

THE SECOND BELT AND ROAD FORUM FOR INTERNATIONAL COOPERATION

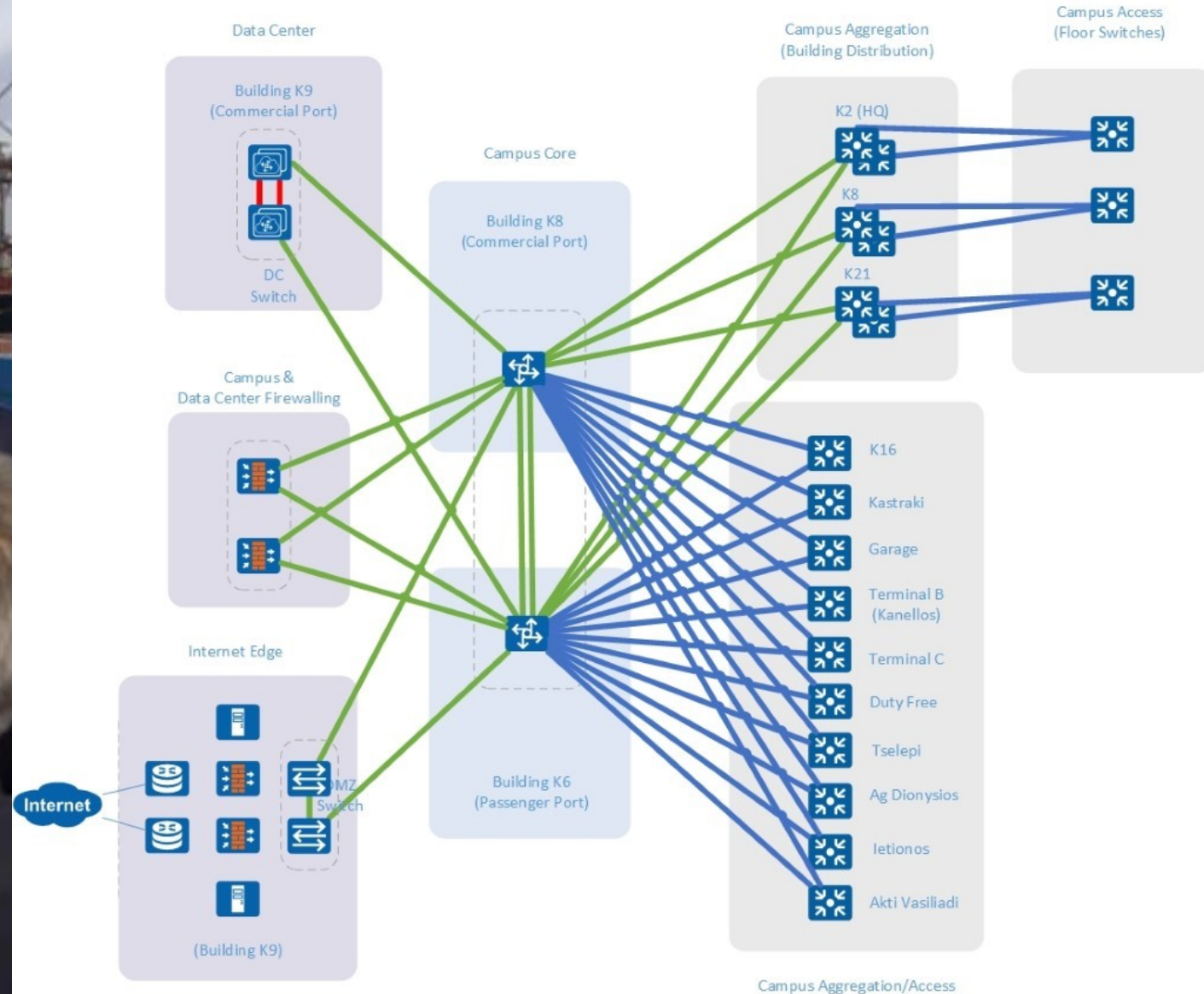
2019年4月25-27日 中国·北京

25-27 APRIL 2019 BEIJING, CHINA



The Road Ahead

The Digital Second Wave



Government Buildings

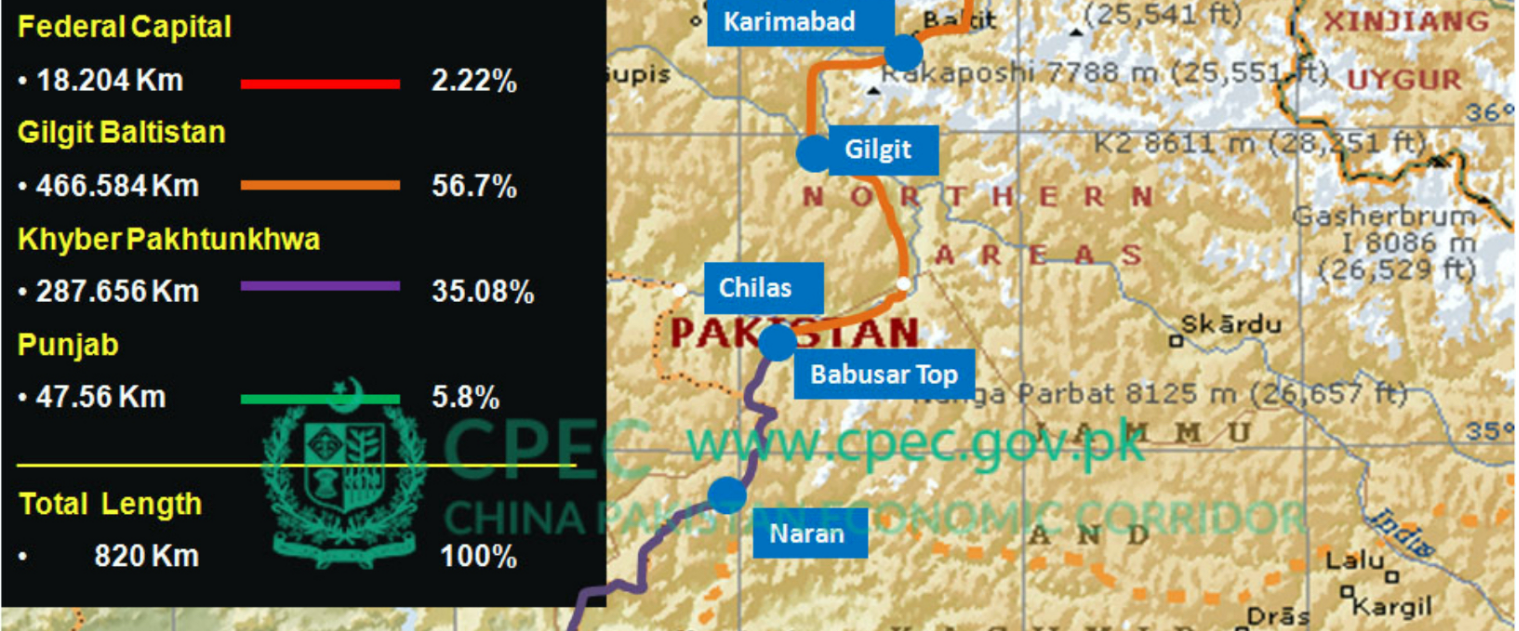


非盟会议中心由中华人民共和国政府援建，于2009年2月26日开工，2011年12月26日竣工。非盟第18届首脑会议期间举行了中心落成典礼，中国和非洲国家领导人共同见证。

2012年1月28日
于亚的斯亚贝巴

The African Union Conference Centre and Office Complex, a donation of the Government of the People's Republic of China, commenced on February 26, 2009 and completed on December 26, 2011. The complex is inaugurated during the 18th summit meeting of the African Union in the presence of both Chinese and African Heads of State and Government.

Addis Ababa, 28 January 2012



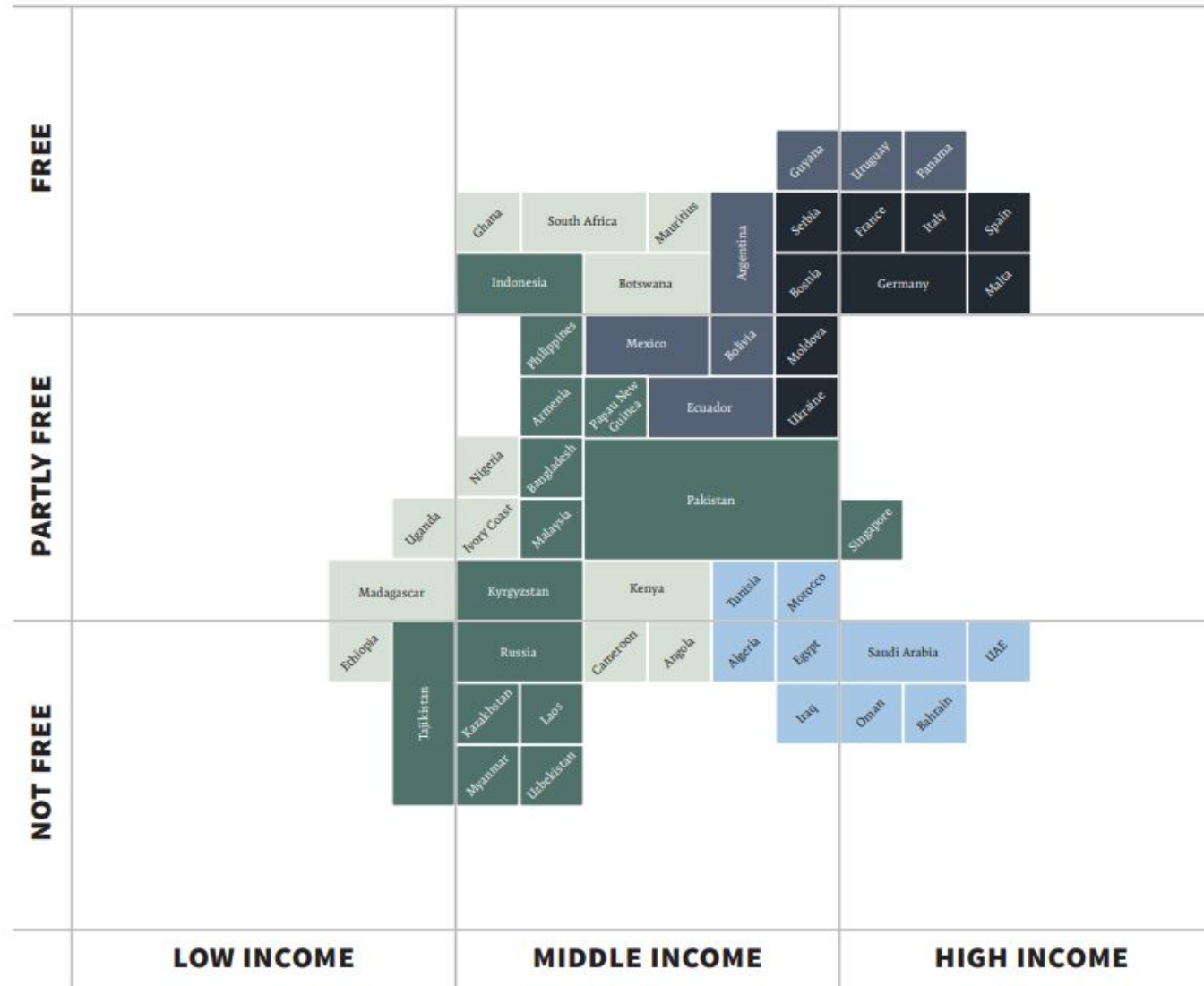
Linear Infrastructure



Where Are Huawei's "Safe Cities"?

Freedom Score

Source: Freedom House avg. combined political rights and civil liberties scores (2009-2018)



Income Level

Source: World Bank World Development Indicators (Sept. 2019)

让生活更美好

“New Infrastructure”

- Expansive: 5G, data centers, IoT, artificial intelligence, satellite-delivered internet, blockchain, smart grids, smart transportation
- Private-sector supply, state-owned enterprise demand
- Challenges: subsidies & debt, coordination, U.S. export controls

Other Developments to Watch

The Great Debt Renegotiation

Multilateralization

“Health Silk Road”

U.S. and Allied Alternatives

