

Forum: General Assembly 4 (SPECPOL)

Issue: The Question of China's One Belt, One Road Initiative

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Introduction

In around 100 BCE, The Silk Road, a vast and ancient network of trade routes carried massive amounts of goods and ideas between the Roman Empire in the west, and the Chinese Han Dynasty in the east. Yet, as the years went by, those ancient trade routes soon faded away into obscurity as civilizations continued to rise and fall around it. Yet, the story of the silk road does not end there, as just a few years ago, in September of 2013, president Xi Jinping of the People's Republic of China, announced the creation of the One Belt One Road initiative (OBOR), a project often referred to as the Silk Road of the modern era.

The One Belt One Road initiative (OBOR), also known as Belt and Road Initiative (BRI), is an initiative created by People's Republic of China's President Xi Jinping in 2013 in order to boost global trading between China and regions like Africa, Europe, and other parts of Asia. Currently, 65 countries are involved with OBOR, marking it as the world's largest economic project. China wants to link and expand this project to 70 other countries. Regarding the name, the "Belt" in One Belt One Road refers to the land connecting China to Central Asia and Europe while the "Road" refers to maritime route connecting China to Africa through South Asia.

This plan made by President Xi currently covers up to 65% of the world's population, which is around three-quarters of global energy resources and 40% of GDP, marked as one of the largest influences impending. A total of 1 trillion dollars of large scale investments in industries like gas/oil pipelines, roads, railroads, and ports, was poured into OBOR projects by organizations such as the Development bank, Asian Infrastructure Investment Bank, and the Silk Road Fund. And as these projects continue they are constantly changing and evolving with the initiative beginning to include financial integration/cooperation in science and technology/cultural and academic exchanges.

Definition of Key Terms

One Belt One Road (OBOR)

An initiative created by President Xi Jinping in 2013 to boost global trading between China and other regions of Eurasia.

The 6 Corridors of Belt and Road Initiative

OBOR is composed of 6 economic corridors -- China-Mongolia-Russia Economic Corridor (CMREC); New Eurasian Land Bridge (NELB); China-Central and West Asia Economic Corridor (CCWAEC); China-Indochina Peninsula Economic Corridor (CICPEC); China-Pakistan Economic Corridor (CPEC); and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC).. Integrated networks of infrastructure built within a geographical area designed for economic development and growth

Imperialism

A concept used by the Chinese government to create a policy of extending a country's power and influence through this project.

Silk Road

Ancient trade route which links China with Western Eurasia, linking civilizations through a 4,000 mile long caravan tract following the great wall to the northwest, then towards the Taklamakan Desert across the Pamirs mountains, crossing Afghanistan then to Levant, mainly between the Roman empire in the west and the Han dynasty of China in the east.

Background Information

Many have said that this One Belt One Road initiative is like the “New Silk Road”, closely linked with the one built by China themselves centuries ago during the Han Dynasty. Also similar to United States’ Marshall Plan to launch economy into Central Asian countries, the Belt and Road Initiative does so westward of China.

When the BRI was announced in 2013 by President Xi, The People’s Republic of China was considered one of the fastest growing economies in the world, and in order to sustain the kind of growth that China was projecting, massive economical projects had to be put into motion. The BRI was announced as a solution towards the problems of overcapacity, surplus capital, declining trade opportunities, growth of debt, and declining profit rates through economic expansion. It came as a response towards China’s reliance on foreign investment to stimulate massive economic growth, and promote Chinese influence on a global scale.

Skepticism on China’s plan

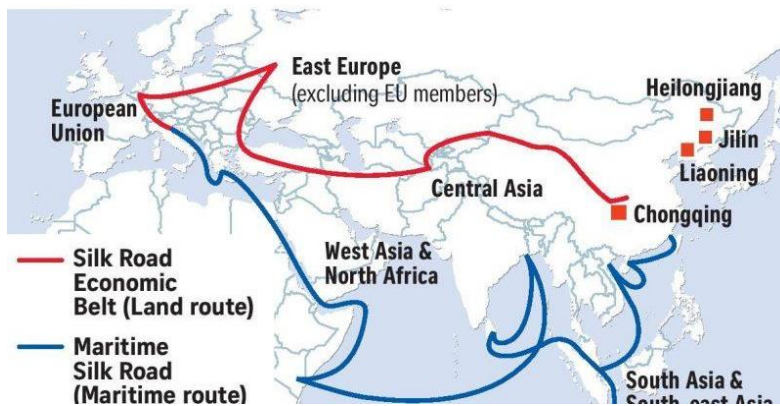
Although the initiative shows potential promise of delivering growth to a nation’s economy, not all nation’s are in full agreement upon the terms and conditions of each project. Currently, 90% of BRI projects are built by the Chinese government with heavy encouragement upon the use of Chinese

Enterprises and companies only. Furthermore, the initiative does not give countries a comprehensible understanding as to its specifics. Moreover, even with the clear listings each project along\ with potential plants, challenges such as labor issues, and environmental damage, refusal neighboring countries are bound to occur.

For instance, several European countries have refused to sign a proposed trade agreement concerning the initiative. Furthermore, The European Union (EU) has yet to agree with the initiative. Many members of the EU believe that the plan does not have the capabilities to guarantee economical and environmental sustainability and growth. India, similarly, disregards this initiative due to the absence of transparency.

Transparency issues and risks

An apparent source of the transparency issue is largely due to the Chinese government's reputation of corruption under President Xi. It has been evident that the Chinese enforcement agencies have never done any action with regards to the countless Chinese entities for their bribery being used as a business strategy across Asia and Africa. Besides that, the 65 countries involved in the initiative include the world's most corrupt governments. Specifically, four OBOR countries - Yemen, Cambodia, Myanmar, and Syria - are amongst the eight riskiest in the world. This is not only dangerous but detrimental to the success of the BRI, having themselves closely linked with criminality. With a corrupted nation, it's extremely difficult to work with them as they do not function in the way a well constructed government should - in an impartial way. Since the BRI requires countries willing to cooperate closely with others, it becomes easy for countries to decline the invitation of joining the OBOR. However, regardless of differences in stances, the OBOR sets an example for other nations as of uniting countries.



The two main routes of the OBOR

Major Countries and Organizations Involved

People's Republic of China

As the country to initiate the project, their goal was to expand their trade economy linking both land and sea to other parts of Eurasia. When President Xi first held the conference to initiate this, he gathered many political leaders together at the hopes of developing a sense of unity and mutual trust.

While railways are a more direct connection, the Maritime Silk Road (MSR) is the other key aspect of the OBOR the Chinese government wanted to pursue. It reaches from Southeast Asia to East Africa, the Indian Ocean, and even Oceania. This once again reveals the Chinese's intentions in uniting not only their immediate neighbors, but soon a dominance through the entire global trade.

Republic of India

India has been a major voice in opposing and the boycott of the initiative as they find it skeptical on many levels. India is most close with the China-Pakistan Economic Corridor, due to Pakistan being their long time enemy.

However, it is not just the relations with Pakistan that makes the Indian Prime Minister Narendra Modi, along with other political figures, oppose the BRI, it is also the lack of transparency with plans regarding OBOR. While India supports connectivity in all possible ways, even making the connection with their neighboring countries their priority, they want the projects to not only be sustainable but respect territorial sovereignty, something the OBOR needs to work on.

Central Asian Countries

Central Asian countries like Pakistan, Turkey, Kazakhstan, and more came upon lots of Chinese investments due to the OBOR. The investments may be both a negative and positive thing. As Less Economically Developed Countries (LEDCs), it is inevitable that they face China's economic imperialism with the OBOR initiative as well as, once again, environmental impacts. However, these Central Asian countries are in need of large-scale investments and the BRI provides them with just that.

These Central Asian countries are in no way short of railways. Some examples include the China-Kyrgyzstan-Uzbekistan highway recently launched, connecting all three countries listed. If not directly connected to China, they invested in the 350-km Dushanbe-Chanak highway that connects the north of the country with the capital, Dushanbe. These investments made by the Chinese create, yet again, a united region economically and open doors to larger projects with greater global attention for these Central Asian countries.

European Countries

Many members of the EU are examples of other nations who declined joining with the Chinese government in OBOR. The European Commission adopted their own strategy called the Connectivity Strategy to expand their economy from Europe to Asia. From this prospective, European nations are in agreement with the Chinese government. Additionally, so far, roughly 35 Chinese cities are already

connected through railways to 34 European cities. One example would be the Yiwu-London Railway line spanning a total of 12,874 km. Railways like this not only allow clear communication and flourishing economy.

However, the EU emphasis is on sustainability, proposing that investments should respect labor rights, which is something that the OBOR lacks in their plan. The EU ambassadors also criticized Chinese government for discriminating against foreign businesses as well as the lack of transparency and the limited market access for European businesses in China.

African Countries

Three countries in Africa are directly involved in the belt and road initiative; Kenya, Djibouti and Egypt. African countries benefit in many ways concerning the OBOR. For example, like the Central Asian states, a railway line in Angola was built. However, while this may be beneficial to Angola themselves, neither Democratic Republic of Congo nor Zambia have linkage to ports, hence hindering efforts to export their products. This fragmented establishment of railways proves faulty procedures on the BRI's stance. Besides the Angola railway line, many other significant and larger railways were built in African countries as part of OBOR's initiative. The 2,700 km East African Railway line is an important piece as it includes Kenya, Uganda, Rwanda, Burundi and South Sudan. This is just one of the many infrastructure projects China is currently involved in.

Silk Road Fund

Silk Road Fund established by the Chinese government in Beijing gaining investments from State Administration of Foreign Exchange, China Investment Corporation, Export-Import Bank of China, and China Development Bank

Development Bank

formerly known as the BRICS (Brazil, Russia, India, China, and South Africa) Development Bank, this multilateral development bank established by the BRICS states mobilizes resources for development projects in BRICS

Asian Infrastructure Investment Bank (AIIB)

a multilateral development bank primary to fund of the OBOR

Timeline of Events

Date	Description of Event
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September 2013	Announcement of OBOR by President Xi took place in a speech delivered at Nazarbayev University, Kazakhstan. This marked the start of negotiation between states regarding the matter
October 2013	President Xi first announced Maritime Silk Road initiative, the crucial second half of the OBOR initiative
October 2013	China first initiated AIIB as a funding arm to projects of OBOR, but this also started a competitor to other multilateral development banks like International Monetary Fund (IMF) and World Bank
November 2013	Third Plenary Session of the 18th Central Committee of the Communist Party of China facilitates the Belt and Road initiative through promotion of international community with common interest
May 2014	Beginning of first phase of logistics terminal build by both China and Kazakhstan marking a physical start of the BRI
October 2014	21 Asian countries joined AIIB and became the first founding members
November 8 2014	China announced \$40 billion US dollars to set up a Silk Road Fund to support OBOR projects
December 29 2014	Establishment of the Silk Road Fund Co., Ltd which supports OBOR project
January 2015	Number of AIIB founding members increases to 26 with the addition of New Zealand, Maldives, Saudi Arabia, and Tajikistan
March 2015	China released an action plan regarding the framework and priorities of the initiative

May 2015	China announced plans to invest \$900 billion USD to develop the 6 economic corridors involved in the project
June 10 2018	India refused to sign/endorse OBOR, due to skepticism and flaws found in the plans of OBOR
September 2018	Venezuela joins New Silk Road commercial plan allegedly worth \$900 billion being one of the first South American countries to join after Uruguay

Relevant UN Resolutions and Treaties

The question of the One Belt on Road Initiative is considered fairly new within international politics and due to the fact that the People's Republic of China is one of the Permanent five members of the United Nations Security Council, the United Nations has yet to pass any resolutions pertaining solely to this topic.

However, United Nations Secretary-General António Guterres did recognize the One Belt One Road initiative as a economically prosperous project, along with holding the belief that the OBOR and the Sustainable Development Goals created by the UN share the same vision for global development.

The UN did suggest possible encouragement of the implementation of the initiative through a resolution relating to the topic on the renewal of the mandate of United Nations Assistance Mission in Afghanistan (UNAMA). The Security Council promoted regional economic cooperation, including measures to facilitate trade through regional development, naming the OBOR as one of the solutions.

- On extension of the mandate of the UN Assistance Mission in Afghanistan (UNAMA) until 17 Mar. 2017, March 2016 (Resolution 2274)

Possible Solutions

Due to multiple underlying issues, mainly the fact that this initiative is issued solely by the Chinese government, it makes it hard for other states to know immediate specifics on the project, and understand the possibility of profit for the host country. However, there are some steps that can be taken to allow a smoother action to be taken. In order for the initiative to be beneficial and feasible for all

countries involved, a win-win situation must be created and implemented to benefit all nations participating within the programs,

Steps regarding labor and environment. Building the many linkages hinder the already fragile ecosystems and wildlife. Even once the infrastructures have been built, even more resources are needed as it is vital to maintain them. With construction comes labor, and although it is true that the OBOR creates jobs for many Chinese workers, it aims to profit only the Chinese companies involved as only Chinese enterprises are encouraged within these projects. However, labor activism results in low salaries and dangerous working conditions. So, one important aspect of the solution should be based on the stability in domestic affairs, as it is China's goal in developing this initiative – creating a harmonious and steadily growing economy along with a prosperous society. Instead of trying to develop projects such as the European railways, the Chinese government can perhaps shift its focus towards market driven building projects which have a higher possibility of positive return for all nations involved.

LEDC's role in the OBOR. Another key issue facing the OBOR at the moment would be its negligence concerning accusations of imperialism or imperialistic tendencies within its projects. For instance, Sri Lanka, a less developed nation with large investment opportunities, which sits in the middle of the Indian Ocean as well as the Maritime Silk Road can offer a beneficial opportunity for the Chinese state. Joining the OBOR would allow for nations such as Sri Lanka to achieve a prospering economy, perfectly fitting a LEDCs slow and unprogressive economy. While LEDCs are extremely important areas of foreign investment and should be given concrete incentives to join the initiative, the More Economically Developed Countries (MEDCs) should also be in consideration for large scale foreign investments, as the vast majority of the 65 countries involved with the initiative belong in this category. They too, face the conflict of China's imperialism and are therefore less willing to fall into the hands of Chinese imperialism through involvement with the OBOR. As such, solutions should be based around representing the OBOR in a better light, allowing for more transparent and less-imperialistic values to be carried out within projects across the entire initiative.

All in all, all steps taken to reduce conflict that may be caused by the BRI must **create a mutually beneficial and economically feasible relation** between countries apart of it.

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