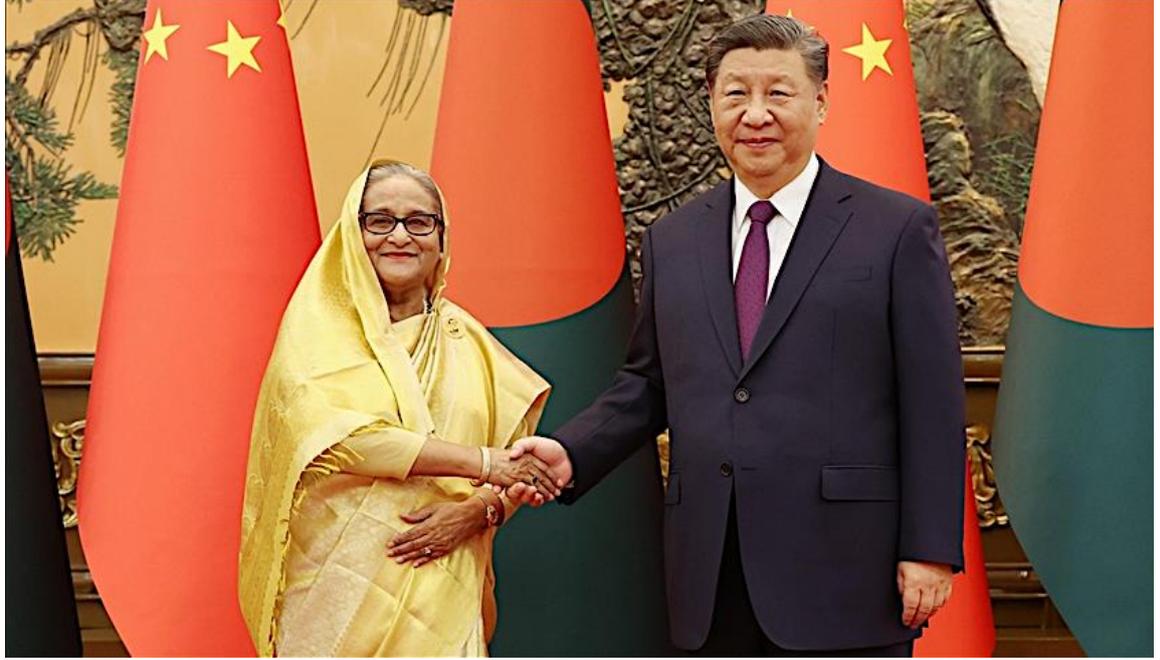


The Belt and the Road Initiative: Where does Bangladesh Lie in China's Global Grand Strategy Architecture?



[Source: Khaliq, Riyaz ul. "China to give \$137M in economic assistance to Bangladesh". July 10, 2024. <https://www.aa.com.tr/en/asia-pacific/china-to-give-137m-in-economic-assistance-to-bangladesh/3271008>]

Introduction

The year, 2023, marked the tenth anniversary of Chinese president Xi Jinping's Belt and Road Initiative (BRI), the largest and the most ambitious project in human history. The Chinese president Xi addressed a high-level symposium on the BRI in Beijing on November 19, 2021. While addressing on the symposium, President Xi asserted that the BRI should aim for high-standard, sustainable and people-centered progress. China has signed cooperation documents on jointly building the Belt and Road with 140 countries and 32 international organization, as the BRI was proposed by President Xi in 2013. Bangladesh is one of the most important members of the BRI. The pertinent questions are: Why does China make such advocacy arrangements now? What are the main aspects of the new developments of the BRI? How could the new developments influence the BRI? What are the implications of the BRI for Bangladesh? Some believe that the BRI will dramatically expand Beijing's influence in the world, particularly in China's neighborhoods. Others feel the BRI will be hindered by many insurmountable challenges and its failure is almost guaranteed. Bangladesh and China established official diplomatic relations in the 1970s. Since then, the bilateral relations have grown stronger significantly over the years. China

* Assistant Professor, Department of History & Philosophy, North South University, Dhaka, Bangladesh,
Email: saleh.shahriar@northsouth.edu

is today more deeply involved in Bangladesh than it has ever been. China's rise to global economic power has driven much debate about its impact on international power relations. Besides the BRI, the Indo-Pacific Strategy (IPS) is a new discourse in Bangladesh. The Indo-Pacific region has emerged as the new epicenter of great power competition. The IPS emerged to establish a Rules-Based International Order for global peace and development and counter the growing influence of authoritarian governments. While China is expected to abide by this multilateral world order, leaders in Beijing do not see this international system as acceptable because it is being dominated by the United States economically, militarily, and politically. On June 16, 2024, the *Times of India* carried an important report captioned *New Rail Lines for Northeast via Bangladesh to Bypass 'Chicken Neck'*, stating clearly that India plans to develop an alternative railway network through Bangladesh leveraging the India-Bangladesh trade agreement of 1980. The initiative aims to reduce reliance on the current route the 'Siliguri Corridor' known as the *Chicken Neck*. It features 14 new routes spanning 861 kilometers involving gauge conversion and construction of new trucks.

China's Global Policy Architecture

The BRI involves countries spanning Central Asia, South Asia, Southeast Asia and Oceania, Central and Eastern Europe, West Asia, and North Africa, over 900 projects, and close to US\$1 trillion as of mid-2018 (Yuan, 2019). The strategy of the BRI, a historically integrated concept in China's periphery policy, is a well thought-out global and grand strategy that the Chinese leadership has formulated to reclaim its geopolitical dominance in Asia and to fulfill the goal of China dream. As a policy-oriented initiative, the BRI has great potential to benefit many lower- and middle-income developing countries that are not adequately served by existing infrastructure and are strapped for new investment (Rana & Ji, 2020). The BRI intends to build connectivity and cooperation across six main economic corridors. These are: (1) New Eurasia Land Bridge; (2) China-Mongolia-Russia (CMR) Economic Corridor; (3) China-Central Asia-West Asia Economic Corridor; (4) China-Indochina Peninsula (ICP) Economic Corridor; (5) China-Pakistan Economic Corridor; (6) China-Bangladesh-India-Myanmar Economic Corridor. The BRI aims to establish cooperation in five major areas: trade and investment facilitation; policy coordination; infrastructure development and connectivity; financial coordination and integration; and people-to-people ties and connectivity. The BRI consists of the following two components:

- Land-Based the Silk Road Economic Belt (SREB); and
- Sea-Based the Twenty-First Century Maritime Road Initiative (MSRI).

China has started the construction of high-speed rail since 2008 and ranks first in total operating mileage in the world up till now. The construction of high-speed rail improves geographical proximity by reducing the travel time and cost between areas. In other words, the rail connections under the BRI serve the national interests of China. As an unprecedented endeavor to develop a social and economic nexus that connect China and the rest of the world, in November 2014, Xi Jinping, the Chinese president, announced plans to create a US\$ 40 billion *Silk Road Fund* to support private businesses investing in the BRI projects. Several institutions and organizations such as the Asian Infrastructure Investment Bank (AIIB), the Shanghai Cooperation Organization, and the New Development Bank etc. have been created to finance the different projects of the BRI. Basically, there are five types of financial resources in China supporting BRI construction. They are pure aid, preferential loans, development finance, commercial loans and various special funds. In recent time, especially in the first anniversary of the Russian invasion in Ukraine, Beijing has come up with a couple of new initiatives, known as the Global Security Initiative (GSI) and the Global Development Initiative (GDI). First proposed by President Xi Jinping in April 2022 and further articulated in a concept paper released in February 2023, the GSI is a manifesto for an alternative system of international affairs to the current "rules based" order led by the United States and its partners in Europe and the Indo-Pacific (Schuman, Fulton, and Gering, June 21, 2023). In other words, China believes that it has acquired the capacity to advance its vision. To that end, during his first decade, Xi released three distinct global programs: the BRI in 2013, the GDI in

2021, and the GSI in 2022. Xi also released the Global Civilization Initiative (GCI) in 2023. The GCI advances the idea that countries with different civilizations and levels of development will have different political and economic models. Each initiative contributes in some way to furthering both the transformation of the international system and China's centrality within it.



[Source: Feingold, Spencer. "China's Belt and Road Initiative turns 10. Here's what to know". World Economic Forum. November 20, 2023. <https://www.weforum.org/agenda/2023/11/china-belt-road-initiative-trade-bri-silk-road>]

Areas of Bangladesh-China Cooperation

The BRI expands the horizons of connectivity, trade, and infrastructure in Bangladesh. The Chinese economy is also expected to exceed US economy and account for 25 percent of global economy by 2050.

Trade and Investments: From the ancient silk roads to modern day diplomatic ties, China and Bangladesh have been in trade relationships for a very long time. As official ties began in 1975, the China-Bengal relationship has only gotten stronger over time and is on the verge of a new transformation due to new lofty policies from the Chinese. During president Xi's 2016 official visit to Bangladesh, China promised about \$40 billion investment in Bangladesh. A total of \$24.45 billion was in bilateral assistance for infrastructure projects and \$13.6 billion in joint ventures. In addition, USD 20 billion in loan agreements was committed. To counter Beijing's initiative, the Indian government provided \$ 5 billion line of credit and other economic assistance to Bangladesh during Prime Minister Sheikh Hasina's visit to New Delhi in April 2017.

Bangladesh now has become China's third-biggest trade partner in South Asia, while China is the largest origin of Bangladesh's imports. The trade volume reached 913.4 million USD in the year 2000 to 14,708.5 million USD in 2018; around 16 times more than that of 200. Bangladesh has a huge trade deficit with China. It is mentionable that China imported goods worth \$2.4 trillion in the 2019-20 fiscal year and Bangladesh's share was very insignificant (0.05 percent). A report in the *China Daily* indicates that in the next 10 years, China is expected to import a total of \$22 trillion worth of goods. Bangladesh's major export items, ready-made garments and others including leather goods, jute and jute goods, agricultural products, frozen and live fish, pharmaceutical products, plastic, sports goods, handicrafts, and tea have strong competitive edge

in the international market. China has provided duty-free access to 97 percent of Bangladeshi products (a total 8,256 products) from July 2020. China has vast consumers for these products. Bangladesh would need to study the changing preferences and perceptions for the Chinese consumers and grab the opportunities for exports to the Chinese market. So, the countries could initiate some innovative programs to minimize the deficit and boost up bilateral trade and investments.

BCIM Economic Corridor and Tourism : The Coronavirus pandemic (COVID-19) has caused irreparable damage to the worldwide tourist sector. Tourism is often regarded as a key driver of growth in emerging economies. It is vital for the economic growth of underdeveloped countries. The Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) intends to connect Bangladesh, China, India, and Myanmar. The BCIM-EC seeks to build a 2,800 km economic corridor connecting 20 major BCIM cities and towns, starting in Kolkata, West Bengal, and ending in Kunming, China's Yunnan Province, via Bangladesh's Jessore, Dhaka, and Sylhet; Manipur's Imphal and Assam's Silchar; and Myanmar's Ka Lay, Monywa, Mandalay, Lashio, and Muse. This sub-region may become a regional center for tourism, developing markets, agro-food, and inter-cultural exchange. The expansion of the BCIM corridor will help tourism flourish in the region.

Bangladesh offers several tourism spots. Cox's Bazar, for example, has a 120 km long sandy, straight, and drivable beach. Teknaf (Bangladesh's southernmost point), Ramu, Sonadia, Himchhari, and St. Martin Island are all within easy reach of Cox's Bazar. Dry fishes known as 'Shutki' are available in these areas. Dry fish is rich in vitamins. Besides, the Chittagong Hill Tracts (CHT) are also rich in natural resources and beauty, especially Rangamati, Khagrachari, and Bandarban. The BCIM-EC has the potential to build a regional energy grid through cooperative use and development of water and natural resources, such as gas. The BCIM-EC may facilitate economic cooperation, commerce, investment, and tourist growth. The BCIM-EC has a lot of potential, as it covers 40% of the world's population and has a combined GDP of almost US\$14 trillion.

Defense: Bangladesh's former President Abdul Hamid met with visiting Chinese State Councilor and Minister of National Defense Wei Fenghe in Dhaka, Bangladesh, on April 27, 2021. During the meeting, our president said Bangladesh and China are time tested friends and reliable strategic cooperation partners. Defence cooperation is one of the significant pillars of the relationship between Bangladesh and China. In 2002, they signed the Defence Cooperation Agreement, which also includes defence production, making China the only country with a broad defence cooperation agreement with Bangladesh. China accounted for around 74 percent of Bangladesh's arms imports between 2010– 2019. Bangladesh also forms 20 percent of China's total arms imports between 2015–2019. It is important to note that China and India are consistently vying for influence in the South Asian small states like Bangladesh.

Energy: As an emerging global power and the world's second largest economy, China's energy consumption has been rapidly growing over the last two decades. China's growing need for energy and its dependence on international trade makes the region of South Asia a sphere of great interest for China. South Asia is very significant region for China to facilitate its trade and energy corridors throughout the region that China can access. Dependence on foreign energy poses a number of challenges to China's energy security. Around half of the oil imported to China, for instance, is from the Middle East, a region plagued with instability and terrorism. Although the Chinese government has managed to diversify its oil import sources, unstable regions including the Middle East and Africa are still dominant sources of China's imported oil. Therefore, China intends to encounter the *Strait of Malacca* dilemma through the routes of the BRI countries.

Constraints and Challenges

Many analysts have characterized Chinese lending through the BRI as 'debt trap diplomacy' to give China leverage through other countries and even to seize their infrastructure and resources.

This diplomacy is often projected as intended to exert undue political influence over sovereign nations that borrow from China under the BRI. However, there is no consensus among scholars on the question of debt trap diplomacy. Several global and regional players such as the USA, Japan, India and Australia are apprehensive of the real intention(s) of the BRI, because of its ambiguity, lack of transparency, lack of consultation with the relevant stakeholders and growing military presence in the Indian Ocean, Asia Pacific, Indo-pacific and the South China Sea. The BRI projects have adverse impacts on global environmental and climatic issues. The lack of coordination is also a major hurdle to the BRI projects.

Another issue of contention is the geopolitics centering on the trade disputes between the USA and China. In their May/June 2023 Foreign Affairs article entitled, “The Axis of Upheaval”, Andrew Kendall-Taylor and Richard Fontaine argues that China, Iran, North Korea, and Russia see the United States as the primary obstacle to establishing their spheres of influence and they want Washington’s presence in their respective regions reduced. Some US analysts ever used to their policy suggestions to the US government to prepare for a protracted war with China. There are some unresolved contentious issues such as the Taiwan Strait, Korean peninsula, Sino-Japan disputes, South China sea, Indian Ocean, Quad groupings, Bangladesh’s CHT insurgency, and competition in the Bay of Bengal region. On May 29, 2023, of Foreign Affairs, Arzan Tarapore wrote, “India remains anxious about China’s creeping influence across the Indian Ocean region, where China plans to maintain a permanent military presence supported by a growing network of bases”. It is here to be noted that India is a member of the security groupings of Quad that includes Australia, Japan, and the United States.

Over the past decade, China has clashed with their shared border on several occasions. For instances, the unsettled boundary disputes between India and China in Eastern Ladakh and Arunachal Pradesh have far-reaching consequences for the well-being of the border residents in Ladakh. India’s road construction projects along the Sino-Indian border in Arunachal Pradesh have emerged as one of the latest notable examples of bones of contention between India and China. Moreover, the outbreak of the Coronavirus or COVID-19 appears to be one of the biggest factors causing the decline of China’s image at the global stage. The COVID-19 may hinder the growth of the BRI. China has developed networks of global trade, investment, and financial integration. The BRI is a manifestation of the global emergence of China. The changing nature of the BRI population dynamics, production forces, trade networks, and consumptions could merit future scholarly attentions. Until now, there are still not enough research contributions on how COVID-19 pandemic affects the global trading environment.

