

Policy Paper

Professor Chris Dixon
Bob Savic

April 2018

Asian Governments Line Up Behind China's OBOR

China's massive, continent spanning OBOR project is attracting increasing support from Asian governments, including many that have long had poor relations with China. This development has to be understood in terms of the regions' enormous infrastructure deficit, the lack of alternative funding, and the changing reality of Asian geopolitics and economic relations. China has become the principal driver of regional growth and integration, at a time when the USA's support for Asia is increasingly in doubt. This does not mean that even those Asian countries who are most openly supportive of OBOR do not harbour concerns over individual projects, the programme as a whole, the extent of China's control and broader geopolitical agenda. Nor are they blind to the enormous financial, technical, environmental, diplomatic and security challenges that China faces in implementing this programme. Indeed, it may well never be fully completed in its current form. But even a partial completion could be a game changer for many countries and lead to major geopolitical shifts.

Authors

Professor Chris Dixon
Director, GPI

Bob Savic
Senior Research Fellow, GPI

Contact:
c.dixon@gpilondon.com
b.savic@gpilondon.com

Global Policy Institute
City of London
United Kingdom
office@gpilondon.com
www.gpilondon.com

Introduction

The Western world's view of China's vast One Belt One Road (OBOR) initiative [1] continues to be one of considerable scepticism, if not outright opposition, particularly in the USA. [2] By contrast, in Asia, after some initial hesitation, more governments are voicing firm commitments to the overall programme and constituent projects. These countries include several that have had, to say the least, far from cordial recent relations with China, notably Japan, the Philippines and Vietnam.

Except for Japan, Singapore and South Korea, a major factor in the endorsement of OBOR is the need to fund significant development of domestic infrastructure. Even for Japan and Singapore, the prospect of major improvements in international linkages offers major direct economic benefits and significant investment opportunities. However, in all cases, the endorsement of OBOR should be seen in the context of general improvements in relations with China.

The shifts in policies towards China should therefore be understood in terms of highly pragmatic decisions by governments that recognise the reality of changing Asian and global economic and geopolitical structures. In turn, this could determine where many Asian governments' immediate economic, and perhaps, security interests lie. This is not to say that all Asian governments have moved in this direction or that even the apparently most committed do not remain cautious over OBOR, and of China, in general.

Concerns over Chinese expansion

Unease over China centres on its increasing economic domination, particularly of North East and South East Asia, and its generally more assertive foreign policy.

There are also concerns over the extent to which OBOR is already becoming a vehicle for spreading Chinese banking, currency use, business, people (the New Chinese Diaspora), [3] and political influence.

Views are also emerging that China will dominate the funding, construction and sourcing of materials for the whole initiative, saddle countries with heavy debt burdens (with consequent political leverage), [4] and reap by far the greatest economic and strategic benefits. In addition, some governments are undoubtedly concerned that cooperation with China over OBOR, and other Chinese initiatives such as the Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB), might displease Washington, whose continuing support for Asia has already come into question.

Regional infrastructure deficits and funding sources

Against such concerns, most Asian governments are faced with massive domestic and international infrastructure deficits that are in many cases seriously hindering economic growth, notably in Pakistan and the Philippines. Overall, it has been estimated by the Asian Development Bank (ADB 2017) that Asia needs to invest US\$1.7 trillion a year during 2018-30. Few Asian countries could raise more than a fraction of the funding necessary from established domestic and international sources to meet even the most pressing of their transport and energy needs.

The international agencies, such as the World Bank, no longer regard infrastructure as one of their funding priorities and many countries are far from happy with the judgemental reform agenda that such funding frequently has attached to it. (Dixon 2015) In consequence the agencies now directly fund

very little infrastructure - less than 2.5% of Asian projects are funded in this way. (ADB 2017) Indeed, the current policy of the World Bank, such regional bodies as ADB, and all Western donors, is for infrastructure to be funded by the private sector, [5] particularly through PPP type arrangements. [6]

To such ends, the international agencies have promoted the establishment of institutions to channel private investment, as in the case of African Development Bank's Africa50. However, despite such initiatives, private sector funding has become less available for infrastructure projects in Emerging Economies. (Griffith-Jones 2014) In addition, the variations of PPP deals, while undoubtedly providing many countries with infrastructure that they would not otherwise be able to fund, have acquired a reputation for poor value, often protracted, complex and asymmetrical negotiations, slow and unsatisfactory delivery, and long-running and costly disputes.

China's attractive non-judgemental funding proposition

In contrast to the established international sources, the various Chinese funding agencies operate on a remarkably non-judgemental basis without attaching reform agendas to deals. Additionally, it has been demonstrated that projects, particularly OBOR projects, can be agreed, formulated and initiated, with remarkable speed. Even so, the jury may still be out on the long-term costs (including political) and benefits, and how these compare with private sector deals advocated by the World Bank. On the latter, it should be noted that not all the OBOR projects are government to government, with many Chinese companies and agencies engaging with governments and a variety of sub-national actors. Here there are concerns, particularly given the record of some Chi-

nese companies in Africa. However, while:

There have been legitimate complaints about Chinese companies employing few locals, mistreating those it has and paying scant regard to the environment. Nevertheless, there is a begrudging recognition that China has mostly benefited Africa and that the country's participants on the continent have learnt lessons. (Pilling 2017)

Much, however, continues to be made, particularly in Japan (see comments below), of the high costs of Chinese infrastructure projects and resultant debt levels. Attention is repeatedly drawn to the Chinese construction of the port at Hambantota in Sri Lanka, which left the government with debt that it could not service, resulting in the port being taken over by China on a 99-year lease.

Given the level of commitment to OBOR and its central foreign policy role, it is perhaps not surprising that China has become very sensitive to criticisms of its international infrastructure programmes and is making much greater efforts to regulate the international activities of its companies, and reassure countries involved in OBOR of the probity of the corporations, agencies and contracts involved in the project. It has also been shifting increasing amounts of funding into the AIIB with its much more transparent and multilateral oversight. [7]

A more conciliatory China

At the geopolitical level, China has since the end of 2016 shifted to much less assertive and more conciliatory policies towards its neighbours and regional issues. This is particularly evident in the various maritime disputes, not least in the South China Sea (SCS), with agreement over a disputes protocol, [8] and joint statements with

the Philippines and Vietnam (see below) over the handling of competing claims. This more conciliatory approach by China has been highlighted by increasing doubts over the level of American economic and strategic and commitment to the region. Doubts that President Trump's 12-day tour of the region during November 2017 did little to dispel. Thus, the emerging view within Asia is that in the absence of any reliable alternative, and given that China has become the major driver of regional growth and integration, it has to be accommodated.

The Middle Kingdom's regional integration

China is becoming increasingly central to a remarkably complex and increasingly institutionalised regional production system. This is spreading and intensifying from its North East and South East Asian core to include Southern Asia, Australia, New Zealand and, increasingly, Central Asia. The latter marked, for example, by Free Trade Agreements (FTAs) between ASEAN members and the Eurasian Economic Community (EEC). Thus, OBOR is adding a major connecting network to this rapidly developing regional system, which in turn will further accelerate and intensify the level of integration. In addition, the Eurasian and Middle East linkages and those to major port developments – notably Penang (Malaysia), Gwadar (Pakistan), Payra (Bangladesh) and Kyaukpyu (Myanmar), have the potential to provide faster, cheaper, more reliable access to markets, raw material and energy supplies. A notable advantage is the prospect of significantly reducing the reliance on such potential choke points as the Straits of Malacca and the South China Sea.

China and Pakistan - the OBOR game changer?

The massive development of the South West Pakistan port of Gwadar is a key part of the China-Pakistan Economic Corridor (CPEC) and a critical element of the OBOR. It is also one of the most advanced sections of the project, with port, road, power generation and pipeline developments underway. These have the potential to be real game changers for both China and Pakistan. Particularly, for the latter, where the economy is crippled by poor communications and lack of power generating capacity. But it must be stressed that for Pakistan a major upgrading of infrastructure would have to be accompanied by some significant political change if the economy is to be stabilised and revitalised.

Gwadar is located at the mouth of the Gulf of Oman and is linked to the Chinese city of Kashgar via the Karakoram Highway in Gilgit-Baltistan. This overland route would ensure a continuous flow of oil in all weathers into Western China. The port and land link would also facilitate trade between China, Central Asia and the Middle East. Currently over 50% of Chinese crude oil supplies come from the Gulf on a 10 week sea journey, with delays due to adverse weather and congestion in the Straits of Malacca.

However, the Gwadar development has sparked very considerable controversy and international tension. [9] Firstly, because India regards Gilgit-Baltistan as territory in dispute with Pakistan. Secondly, due to India's suspicion that a major Chinese-Pakistan strategic presence at the entrance to the Gulf is a threat to its oil supplies and part of a Chinese plan of encirclement. This has led to Indian counter moves, including agreement with Iran for development of a port at Chabahar on the Gulf of Oman, seeking Japanese funding for infrastructure and moves to improve rela-

tions with Russia. [10] While the Chabahar project has become part of a broader agreement between India, Iran and Afghanistan, aimed at major increases in connectivity and trade, including Central Asia and Russia (see details in Hassan 2017; Pant 2017). Pakistan sees these developments and Indian objections to Gwadar as an attempt to isolate it.

Thus, the CPEC could be a major gamble for China, given the history of India-Pakistan, India-China and Iran-Pakistan relations. [11] Particularly, now that the USA has supported the Indian position (Hindu Times 2017), amidst deteriorating relations with Pakistan. These have been bolstered by President Trump's recent statements on Pakistan's harbouring of terrorists and permitting attacks within Afghanistan. [12]

The Washington view of OBOR

The US foreign policy and defence establishments view a Chinese presence at the entrance to the Gulf as a major strategic concern for itself and those dependent on this source of oil. These views should be seen in terms of escalating US opposition to OBOR and of broader concerns over China's regional and global roles.

Although President Trump has publically endorsed the OBOR, much of the American foreign policy establishment, and many investors, appear to be at best sceptical and at worst openly hostile, with The Wall Street Journal (24 April 2017a) stressing the 'Folly of Investing in China's OBOR'. [13] Defence Secretary James Mattis has stated that 'no one nation should put itself into a position of dictating such a project', while Secretary of State Rex Tillerson hardened the line further, stressing the risks to countries' sovereignty and solvency if they participate in OBOR and the need to counter it (cited Lowry Institute 2017).

Behind such views lie accusations that China is making a major power bid for the resources and markets of a vast slice of the global system through control of strategic infrastructure and political leverage on the countries concerned. [14] Despite such views, there appears to be some thawing of opinion on the part of American investors with increasing numbers of corporations already benefiting from the spinoffs of OBOR projects (Economist 2017; Wall Street Journal 2017b). As a result of these developments, OBOR, and the CPEC, in particular, are moving towards the centre of US-China relations.

OBOR and the testing of Chinese diplomacy

Given the extremely complex set of interactions, long-term alliances and rivalries involving China, the USA, Pakistan, Iran, India, Saudi Arabia and Afghanistan, the CPEC should be seen as test bed for the OBOR initiative and Chinese diplomatic skills as a whole.

That is not to ignore other complex issues surrounding OBOR projects, notably in Central Asia with its extremely complex and often far from stable economic, political, cultural and environmental conditions - exacerbated by the backdrop of relations with Russia, in a region that has long been regarded as its 'backyard'.

Nonetheless, it must be stressed that current Chinese-Russian cooperation and general interaction is being maintained in a remarkably cordial manner, despite Western commentary regularly casting doubt on its sustainability. Although this does not mean that considerable Chinese diplomatic efforts are not necessary to maintain the relationship. As indeed, is the case with all OBOR participants, even those with a long history of cordial relations with China.

OBOR and China's complex ties with Southeast Asia

Doubts have also been cast over the commitment of a number of countries that have stated their support for OBOR and already become involved in projects and proposals. Much was made of Singapore's non-attendance at the May 2017 OBOR Conference held in Beijing, despite the government's very strong supporting statements. [15] Similarly, the comparatively limited engagement of the Government on Indonesia has attracted similar comments, not least because of the history of poor relations with China.

Perhaps of greater concern for China is the extent to which involvement in OBOR is a highly divisive domestic issue for many countries - the lower key response of Indonesia may well reflect government concerns over this. For even within the most enthusiastic supporters of OBOR, such as Malaysia, there is significant opposition to participation (or indeed any cooperation with China). [16] If projects are seen to 'go wrong', such opposition could become more influential.

However, there is a much wider and more troubling issue, arising from signs of popular discontent against self-serving ruling elites increasingly seen as undermining the interests of the majority population. [17] Thus, an elite overriding popular opposition to cooperation with China could whip up anti-Chinese sentiments, which many governments in the region have, even recently, been prepared to ignore, if not actively encourage. This has certainly been the case in Vietnam, given its long-term troubled relations with China, and tendency to play the Chinese card in domestic politics, both of which run somewhat contrary to the government's recent endorsement of the OBOR and involvement of China in domestic infrastructure provision.

Vietnam's involvement with OBOR, amid improving relations with China, have much in common with moves by other countries in the region, though perhaps few were starting from such an apparently low ebb in relations. The shift in policy towards China emerged after the 12th National Congress of the Communist Party of Vietnam (CPV) held in January 2016 (see Nguyen Minh Quang 2017) and gathered pace with Secretary-General Nguyen Phu Trong's visit to Beijing in January 2017. The new relationship was consummated with 'the signing of a new comprehensive joint communiqué that may be considered a stability and peace guarantee over their bilateral disputes in the South China Sea' (see Nguyen Minh Quang 2017). However, significant as this move is, considerable unease remains, [18] with Vietnam seeking to hedge Chinese involvement in domestic infrastructure construction by attracting Japanese investment and facilitating closer political relations with Russia.

The tide turns for Japan's role in OBOR?

Rather different in its changed approach to OBOR is Japan. Initially Abe's government refused to participate in OBOR and the AIIB, and very actively (with the support of the USA) opposed both developments. This involved supporting increases in ADB capital (from US\$33bn. to US\$50bn.) and lending (from US\$12bn. to US\$15bn.), and expanding Japan's own regional funding programmes. Notably, the June 2013 launch of a US\$270bn. infrastructure export strategy for 2013-20 – part of the Abe's Japan Revitalisation Strategy (Government of Japan 2013). The export strategy placed much emphasis on viability and quality of projects - with a subtext of the failure in these respects of Chinese provisions – as in the case of Hambantota noted above. Themes that were furthered at the 2016 G 7

ISE-Shima Summit which set out 'Principles for Prompting Quality Infrastructure Investments' (Ministry of Foreign Affairs of Japan 2016) and embedded in official Japanese sources (see Government of Japan 2018).

However, in June 2017 there was what appeared to be a sharp shift in policy with Abe announcing support and 'flexible' participation in OBOR. Though, this was accompanied by underlining the conditions under which Japan would cooperate with OBOR: it should be open to all; procurement should be transparent and fair; and projects should be economically viable and financed by debt that can be repaid, and not harm the finances of the debtor nations; which leaves plenty of scope for Japan to limit its involvement. Against this, it must be stressed that Abe's announcement has been accompanied by a general thawing of relations with China and signs of increasing willingness to work together.

Undoubtedly, the Japanese moves have been influenced by the reality of regional geopolitics, the lack of sufficient firepower to oppose OBOR, and the increasing uncertainty over the regional role of the USA. The critical question here is whether Japan is merely waiting for a shift in the USA's position before reverting to a more confrontational approach to China and OBOR. However, for the present, just the announcement of Japanese support, even from a critical perspective and with little immediate action, is a major boost for OBOR. While any major involvement by Japan would be a game changer that could substantially ease regional tensions and geopolitical shifts.

China's OBOR and the failure of Western assistance

Significantly, before the launch of OBOR (in 2013), China had become a major funder

and constructor of Asian infrastructure. This was particularly the case in Cambodia, Laos and Myanmar - countries that found it virtually impossible to obtain funding from other sources. In this respect, Myanmar is especially instructive, since the imposition of sanctions had left little opportunity for international funding and investment despite the enormous potential for development of the country's resources.

Myanmar's plentiful energy resources, combined with possibilities of developing a port outlet on the Bay of Bengal, prompted inflows of large-scale Chinese investment. However, the domination, by China, of trade, investment and infrastructure development (with concerns over the corrupt and exploitative actions of Chinese companies), began to alarm Myanmar's military rulers. Concerns that played a significant part in the military allowing elections and political changes necessary to end the sanctions regime and open the country to Western assistance and thereby reduced dependence on China.

However, while some Chinese investment, business and infrastructure projects were cut back / halted (notably the disputed Myitsone dam), the anticipated non-Chinese investment and assistance did not appear. More recently, the prospect of new international funding has been further threatened by the Rohingya issue. The response from China has been renewed activity – though rather lower key and seemingly more sensitive to local interests. [19] This has included a diplomatic element with offers of assistance in brokering a deal with Bangladesh (where China is also increasingly active) over the return of Rohingya to Myanmar.

Similar failures of international funding and investment to become involved in Cambodia and Laos, left these countries almost entirely dependent on China. It could be

argued that Iran has experienced the same sort of failure of promised international investment to follow from the 2015 nuclear deal – leaving the way open for Russian and Chinese involvement. Thus, the experience of a number of countries is that acceptable alternatives to Chinese infrastructure funding are scarce, unreliable and frequently expensive and / or attached to onerous political and economic reforms. For many, whatever the risks, non-judgemental Chinese funding would appear to be a much better bet.

Conclusion: The Geopolitical Implications of OBOR [20]

OBOR must be understood in the context of its centrality to the China's long-term international strategy of restoring the country's place in the world. Within this, however, OBOR serves a set of much more immediate economic and strategic needs. Notably the development of the lagging Western provinces, absorbing excess capacity in construction, and materials (not least steel), the relocation of production that is either surplus to China's needs or no longer competitive, securing energy and raw material supplies, and improving access to old and new markets.

While infrastructure programmes are central to OBOR and, as we have outlined, a major factor in the countries signing up to the project, it is very much more. The hard infrastructure is of necessity being accompanied by its 'soft' counterpart. That is trade agreements, value chains, settlement systems, agreements on rules, standards and disputes procedures. The Chinese versions of these are already spreading along the lines of OBOR activity, carried by Chinese banks, companies, supported by agreements, and the promotion of Hong Kong as the disputes settlement centre and the growing importance of the AIIB. In promoting OBOR, China has been at

pains to emphasise its non-judgmental non-interference in domestic affairs approach, the establishment of mutually beneficial partnerships and 'win win' for all involved. In this, OBOR is presented as comprising two components, the development of national infrastructure systems and networking them [21]. The reality may of course come to be very different. However, it may be that we are seeing the emergence of a form of international integration that provides a much better balance between domestic and international interests which have been significantly skewed in favour of the latter under Neoliberal Globalisation, and has led to widespread discontents with the whole process.

China's focus on OBOR in general and the linkages across the Eurasian land mass in particular, is shifting China's focus, away from the Western Pacific and preoccupation with the USA, towards areas where the opportunities are greater and competition from, and the risk of conflict with, the USA much more limited. [22] There are of course other risks, given the instability of many of the countries involved, China's often very limited experience with them, and general lack of direct control. As we have noted, the diplomatic and security challenges are very great. But so are the potential gains, with the prospect of establishing a very considerable Chinese sphere in areas of enormous economic and strategic importance.

In this shift of focus to the West there is also the prospect of realising China's long expressed wish to establish closer relations with the EU, at the expense of the USA. There are here views that China and Europe have much more in common than the EU has with the USA. [23] Be that as it may, EU-Chinese cooperation could be a major factor in the stabilisation of the countries along the East-West routes and beyond. In addition, there would be very considerable

opportunities for the EU, while its Eastern members, like the Western provinces of China, could see their positions transformed.

OBOR is already greatly extending Chinese influence, including into many areas where it has previously had little or no presence, notable much of Western Asia and the Middle East. Whether this will come to be more than an extensive Chinese sphere of influence is a matter of speculation. To what extent will some form of Chinese regional order develop? Will a strongly Chinese dominated Eurasian bloc emerge, perhaps based on rather different interrelations between states, and closely allied to the EU? Could such a development eventually remake world order, and usher in the Eurasian Era?

In considering the possible wider and long-term geopolitical impact of OBOR, it must be remembered that China plays very long games and that OBOR is being implemented in the midst of significant changes in global order. Particularly since the breaking of the Global Financial Crisis in 2007, there have been clear indications of accelerated global power shifts, the weakening of the rule-based Liberal International Order (LIO) and its institutional underpinning, and a retreat of the USA from its long-term order keeping role. [24] Processes that are being intensified since the election of President Trump, with consequent increased opportunities for China and the OBOR.

Afterword

Since this was written (February 2018), the USA has imposed tariffs on Chinese imports, a move that may escalate into a trade war, and imposed additional sanctions on Russia. These developments, which may impact significantly on OBOR and the position of many of its supporters, will be addressed

by the GPI in a wider paper on American policy and the international order.

Authors

Professor Chris Dixon is Director and Head of GPI Asia Programme at the Global Policy Institute.

Bob Savic is a Senior Research Fellow at the Global Policy Institute and an advisory partner with Petersburg Capital LLP in London.

Endnotes

[1] The OBOR spans the Eurasian land mass and extends into the Pacific, East Africa, Southern Asia and the Middle East. It covers 64 countries comprising 62% of the world's population and 30% of its output, and includes some of the world's largest reserves of minerals and underused agricultural land.

At the core of OBOR there are six economic corridors:

China- Mongolian-Russia Corridor

New Eurasian Land Bridge

Economic Corridor

China-Indochina Peninsula Economic Corridor

Bangladesh-China-India-Myanmar Economic Corridor

China-Pakistan Economic Corridor

China-Central Asia-West Asia

Economic Corridor

See O'Neill (2017).

[2] Indeed, no major Western government has fully endorsed OBOR.

[3] A particular issue has been the influx of Chinese labour that is serviced by an accompanying inflow of Chinese business. This is part of the broader question of the lack of involvement of local business.

[4] See comments below on Sri Lanka.

[5] A position that was strongly underlined at the 2014 G20 Summit (Elliot 2014).

[6] The ADB (2017) has emphasised that: 'Regulatory and institutional reforms are needed to make infrastructure more attractive to private investors and generate a pipeline of bankable projects for public-private partnerships (PPPs). Countries should implement PPP-related reforms such as enacting PPP laws, streamlining PPP procurement and bid-

ding processes, introducing dispute resolution mechanisms, and establishing independent PPP government units. Deepening of capital markets is also needed to help channel the region's substantial savings into productive infrastructure investment' (ABD 2017).

[7] This also shifted some of the risk to AIIB.

[8] Announced in November 2017 at the East Asian Summit.

[9] See for example the very critical conclusions of the European Foundation of South Asian Studies CPEC Seminar (Asian Affairs 2018) and the broader review by Palit (2017).

[10] On the latter see Savic (2018).

[11] While the latter are improving and cooperation on projects, notably pipelines, are emerging, Pakistan has a long history of close links with Saudi Arabia.

[12] Despite all of this, it could be that Indian, confronted by major problems of domestic and international connectivity, that are beyond its ability to rectify, even with Japanese assistance, might move towards a more pragmatic approach to OBOR and China (Palit 2017).

[13] The viability of OBOR projects is questioned because (it is asserted) Chinese banks – unlike international banks – cannot adequately price risk.

[14] Some have gone further labelling OBOR as Chinese Imperialism (see Asian Affairs 2018).

[15] Singapore has a long history of good relations with China – though there have been some recent tensions over US naval vessels using Singapore's port facilities. It would seem likely that rather more impor-

tant is the Singapore view that it should be given much greater involvement in OBOR projects, perhaps, some unease that the programme of port and overland communications could reduce traffic through the Straits of Malacca and the South China Sea, thus affecting the island state's regional nodality.

[16] Malaysia is considered as one of Asia's more successfully middle-income economies with well-developed domestic capital markets and significant capacity to fund domestic infrastructure. However, the government's enthusiastic embracing of OBOR has to be seen in terms of: the gains expected from China-Singapore rail link, related (and rapid) domestic rail developments (East Coast line and the high speed Singapore-Kuala Lumpur link), development of 5 ports (particularly Penang) linked to Chinese ports and a series of industrial parks; falling levels of foreign investment; financial hangovers from the 1997 Asian Financial Crisis; and the overall need to speedily reinvigorate the economy.

[17] On the rise of Asian popularism see for example Docena (2018) and Kurlantzick (2017).

[18] For example over Chinese dam construction on the upper Mekong (an issue that it shares with Cambodia).

[19] China appears to have shifted its position on the lengthy dispute over the building of the \$3.6 billion Myitsone dam, signalling its willingness to abandon the project in exchange for other economic and strategic opportunities in Myanmar.

[20] In the burgeoning literature on OBOR we draw particular attention to: Blanchard and Flint (2017), Ferdinand (2017), Layne (2018) and Norin and Wiessman (2018).

[21] For a discussion of Chinese views

of national units and networks see Norin and Wiessman (2018: 234-246).

[22] See discussion in Ferdinand (2018: 953-955).

[23] On Chinese views of Europe see *Lisbonne-de-Vergeron* (2014).

[24] Indeed, OBOR can be seen a reflection of this retreat (Layne 2018: 102).

Sources

- ABD (2017) 'Meeting Asia's infrastructure needs' Manila.
- Blanchard, J-M. and Colin Flint, F. (2017) 'The Geopolitics of China's Maritime Silk Road Initiative', *Geopolitics*, 22: 223-245
- Brahma Chellaney (2017) 'China's Debt-Trap Diplomacy', *Project Syndicate*, 23 January.
- Asian Affairs (2018) 'Corridor of power', January, <http://www.asianaffairs.in/2018/01/corridor-of-power/#.Wmsn51-Y1>
- Dixon, C. (2015) 'The New BRICS Bank: Challenging the International Financial Order?', GPI Policy Paper No.28, <http://www.gpilondon.com/wp-content/uploads/PP28-The-New-BRICS-Bank.pdf>
- Docena, H. (2018) 'Authoritarianisms in Asia: Challenges for peoples' movements', Focus on the Global South, January, https://focusweb.org/system/files/the_rise_of_populist_authoritarianisms_in_asia-revised._final_0.pdf
- Economist (2017) 'Western firms are coining it along China's One Belt, One Road', 3 August, <https://www.economist.com/news/business/21725810-general-electric-got-23bn-orders>
- Elliot, L. (2014) 'Final act of the economic crisis is upon us. There's every chance of a tragic ending', *Guardian*, 17 November.
- Ferdinand, P. (2017) "Westward ho - the China dream and 'one belt one road': Chinese foreign policy under Xi Jinping", *International Affairs*, 92 (4): 941-57.
- Government of Japan (2013) 'Japan's Revitalisation Strategy -Japan is back', 14 June, https://www.kantei.go.jp/jp/singi/keizaisaisei/pdf/en_saikou_jpn_hon.pdf
- Government of Japan (2018) 'Infrastructure with Japan', <https://www.japan.go.jp/infrastructure/>
- Griffith-Jones, S. (2014) 'A BRICS Development Bank: A dream come true?', UNCTAD Discussion Paper No 215, <http://www.unctad.org>
- Hasan, G. (2017) 'Chabahar and Gwadar: India and Pakistan's regional power struggle', *The Quint*, 4 December, <https://www.thequint.com/voices/blogs/chabahar-and-gwadar-struggle-for-power-between-india-and-pakistan-china-iran-cpec-obor>
- Hindu Times (2017) 'US backs India's opposition to China's One Belt, One Road initiative', 4 October, <http://www.hindustantimes.com/world-news/us-backs-india-s-opposition-to-china-s-one-belt-one-road-initiative/story-mgOIpaVs3i65gtaNRxzMNI.html>
- Kurlantzick, J. (2017) 'Asia's rising populists could be more of a danger to democracy than the West's', *World Political Review*, 18 December, <https://www.worldpoliticalreview.com/articles/23842/asia-s-rising-populists-could-be-more-dangerous-to-democracy-than-the-west-s>
- Layne, C. (2018) 'The US-China power shift and the end of the Pax Americana', *International Affairs*, 94: 89-112.
- Lisbonne-de-Vergeron, K. (2014) 'Chinese and Indian vies of Europe and the role of culture in European external affairs', in Cremer, M. and Mores, S. (eds), *The dwarfing of Europe*, European Cultural Foundation, Amsterdam: 33-44.

Lowry Institute (2017) 'Tillerson doubles down on US-India partnership', 19 October, <https://www.lowryinstitute.org/the-interpreter/tillerson-doubles-down-us-india-partnership>

Ministry of Foreign Affairs of Japan (2016) G7 ISE-Shima Summit: Outcome documents, 27 May 2016, 'G7 ISE-Shima Principles for Promoting Quality Infrastructure Investment', http://www.mofa.go.jp/ecm/ec/page4e_000457.html#section4

Nguyen Minh Quang (2017) 'The Resurgence of China-Vietnam Ties', *The Diplomat*, 25 January, <https://thediplomat.com/2017/01/the-resurgence-of-china-vietnam-ties/>

Nordin, A.H. M. and Weissmann, M. (2018) 'Will Trump make China great again', *International Affairs*, 94: 231-250

O'Neill, J. (2017) 'One Belt One Road a New Geopolitical Paradigm', Lowry Institute, <https://www.lowryinstitute.org/publications/understanding-belt-and-road-initiative>

Palit, A. (2017) 'The Maritime Silk Road Initiative (MSRI): Why India is worried what China can do', *Global Policy*, 31 May, <http://www.globalpolicyjournal.com/blog/31/05/2017/maritime-silk-road-initiative-msri-why-india-worried-what-china-can-do>

Pant, H. V. (2017) 'The Challenging Geopolitics of the Port at Chabahar', *The Diplomat*, 12 December, <https://thediplomat.com/2017/12/the-challenging-geopolitics-of-the-port-at-chabahar/>

Pilling, D. (2017) 'Chinese investment in Africa: Beijing's testing ground', *Financial Times*, 15 June, [https://www.ft.com/content/0f534aa4-](https://www.ft.com/content/0f534aa4-4549-11e7-8519-9f94ee97d996)

4549-11e7-8519-9f94ee97d996

Savic, Bob (2018) 'Making friends in Asia', *Asian Affairs*, February, <http://www.asianaffairs.in/2018/02/making-friends-asia/#.WngnH6hl9dg>

Wall Street Journal (2017a) 'The Folly of Investing in China's 'One Belt, One Road'', 24 April 2017, <https://www.wsj.com/articles/the-folly-of-investing-in-chinas-one-belt-one-road-1493052330>

Wall Street Journal (2017b) 'Western Firms Bet Big on China's Billion-Dollar Infrastructure Project', 14 May, <https://www.wsj.com/articles/western-firms-bet-big-on-chinas-billion-dollar-infrastructure-project-1494790205>



The Global Policy Institute was created in August 2006. It brings together academics from the social sciences and business disciplines to analyse the dynamics of the post-globalisation world and formulate policy solutions. The Institute's research and consultancy will be of direct practical use to decision-makers, policy formation, business users and civil society groups, and it will offer partnerships within and beyond the academic community.

The Global Policy Institute

Moorgate
City of London, London
United Kingdom

Email office@gpilondon.com

www.gpilondon.com

the
Global Policy
Institute

Policy Analysis in a *Changing World*