

# FINANCIAL TIMES

Opinion **beyondbrics**

## The Belt and Road Initiative is short of ‘Chinese characteristics’

Buy-in from China’s partners rather than domination of them is the key to success



The Mir-i Arab Madrasah in Bukhara, Uzbekistan, on the ancient Silk Road. Beijing's attempts to associate its Belt and Road Initiative with the historic trading route are not helpful © Bloomberg

Harry G. Broadman May 21, 2019

It was hard to miss the headlines about President Xi Jinping’s recent hosting of China’s [Belt and Road Forum](#), celebrating the sixth anniversary of his signature Belt and Road Initiative (BRI). However, Mr Xi’s excessive political ambitions for his pet project are spoiling China’s secret sauce for successful reforms.

Bravo to the Chinese for their willingness, through the [BRI](#) and the new Asian Infrastructure Investment Bank, to make commitments to a large number of emerging economies, across a huge geographic space, to stimulate trade and investment to help spur much-needed development.

But at the recent event, Mr Xi had to acknowledge criticisms and demands by recipients for a reworking of the programme. He promised to do so, but only in limited fashion. If this signals the future course of such dialogue, Mr Xi and, perhaps most important to him, his legacy are in for a bumpy ride. Worse still are the potential deleterious impacts on the reputation of China itself as a development partner.

The true motives behind the BRI are being questioned by a growing number of its targeted beneficiaries. They are not buying the notion that the initiative is simply a vehicle for Beijing’s exercise of “soft-power”.

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## Emerging markets guest forum

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It would be naive to believe the BRI was driven by altruistic motives. Rather, it is a vehicle by which to export the excess capacity of the Communist party's lumbering state-owned enterprises (to which it is holding on for dear life) and to gain access to the raw materials needed to fuel China's economy.

Moreover, the feasibility of the plan's implementation from a technical, financial and policy perspective is significantly exaggerated. This is [exacerbated by doubts](#) about the health of the Chinese economy. The danger is that the BRI will produce a scattering of large, abandoned projects in China's immediate backyard and beyond.

It would be disingenuous to blame the Chinese for their extraterritorial ambitions for regional economic

development, especially from a European or US vantage point. Still, the process by which Mr Xi has developed and promoted his programme has created serious problems — indeed contradictions — that need not have arisen.

The most salient and fundamental of these — which should be obvious to Mr Xi and his comrades — is the administration's failure to structure the BRI in a manner consistent with the way China itself has engaged in economic reform so effectively since 1978: incrementally, collaboratively and through experimentation. These are the key ingredients whose use China has mastered over the past four decades to encourage the public to believe in and support its reforms. In effect, Mr Xi's political ambitions for the BRI are lacking in core "Chinese characteristics".

Indeed, if there is one lesson the Chinese have taught policymakers the world over, it is that the probability of policy success rises dramatically when reforms are built on engendering "buy-in" from those directly affected and that, as new policies enlarge in scope, they should be modified to embody what has and what has not been found to be effective.

This has been the bedrock of Beijing's policies almost across the board, including reform of enterprises, cities, internal migration, pensions and the social safety net, education, environmental policy and more.

Yet, instead, with the BRI, in one fell swoop Mr Xi has rushed to enlist more than 60 partner countries and sign more than 120 transport agreements, while unilaterally barring others from participating.

The irony of the Chinese not following their own example is supreme. The negative fallout from Mr Xi's tactics is occurring in multiple dimensions and, unless there are fundamental modifications, it will continue to haunt him. In conjunction with the external effects of the economy's structural weaknesses, this could well jeopardise the success of the plan itself.

Beijing's attempt to rebrand the BRI as the "New Silk Road" has not helped. The analogy rings hollow. The ancient Silk Road was an amalgam of decentralised routes that evolved organically at a local level, over the course of centuries. It was not a one-way hub and spokes network; there was considerable variation among its routes, from where they sprouted up to where they terminated.

Moreover, while some of these networks emerged as pathways principally facilitating trade in merchandise, most notably in silk and spices but also in arms, tools and the like, perhaps more important was their role in the exchange of ideas and cultures and in human migration.

These routes were not one-way, nor were they dominated by one overseer. Rather, trade in merchandise and services was two-way. Exposure to new and different ideas and cultural norms did not arise from monologue but through dialogue (though not necessarily always peacefully). Migration was not unidirectional.

By the time the seventh anniversary of the BRI rolls around, Mr Xi would do well to have made efforts in multilateral collaboration with China's partner countries to further refine his programme. If not, his Belt and Road Initiative may turn into a dead end.

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