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The Belt and Road Initiative at Five: Practices and Reflections (Postprint)

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Abstract

This study categorically summarizes the principal work undertaken by China during the five years since the Belt and Road Initiative was proposed, encompassing: the establishment of a fundamental institutional framework; the advancement of a series of critical infrastructure and international production capacity cooperation projects; and the provision of essential safeguards necessary for the smooth implementation of Belt and Road construction. Drawing upon five years of practice, it expounds the primary factors motivating China's advocacy for jointly building the Belt and Road after comprehensively considering both domestic and international contexts, including: China's increased imports through enhanced international trade cooperation, the utilization of the Belt and Road platform to foster China's further opening-up and development, and the promotion of prosperity and stability in China's border regions; concurrently, the Belt and Road Initiative also serves to promote global economic growth, particularly that of developing countries, and facilitates the advancement of deeper economic globalization and the improvement of the global governance system, thereby promoting the effective implementation of the United Nations' 2030 Agenda for Sustainable Development. The five-year practice of the Belt and Road Initiative demonstrates that jointly building the Belt and Road reflects the fundamental direction of world historical trends, aligns with the interests and aspirations of China and relevant countries, and holds optimistic and promising development prospects; nevertheless, it remains imperative to adopt further practical and feasible policy measures in response to real-world problems that have emerged during the five-year practice.

Full Text

Five Years of the Belt and Road Initiative: Practice and Reflection

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Abstract

This paper systematically reviews the major achievements made during the five years since the Belt and Road Initiative was proposed in 2013. These accomplishments can be categorized into three main areas: the establishment of a basic institutional framework, the implementation of major infrastructure and international capacity cooperation projects, and the provision of essential safeguards for the Initiative's smooth advancement. Based on five years of practice, the paper analyzes the primary motivations behind China's advocacy for the Belt and Road Initiative, considering both domestic and international contexts. Domestically, the Initiative aims to enhance international trade cooperation, increase imports, promote further opening-up and development, and foster prosperity and stability in China's border regions. Globally, it seeks to stimulate world economic growth, particularly in developing countries, advance economic globalization, improve global governance, and support the implementation of the UN 2030 Agenda for Sustainable Development. The five-year experience demonstrates that the Belt and Road Initiative aligns with the fundamental direction of world historical trends and serves the common interests of China and participating countries, indicating a promising outlook. However, practical policy adjustments are needed to address challenges that have emerged during implementation.

Keywords: Belt and Road Initiative five-year anniversary; institutional framework; economic development; economic globalization; global governance; debt management

1. Introduction: What Has Been Accomplished?

In autumn 2013, President Xi Jinping proposed the ambitious Belt and Road Initiative for international cooperation. This proposal quickly elicited positive responses from the international community. Over the past five years, the vision has been translated into action, and the blueprint has become reality. A basic institutional framework for jointly building the Belt and Road has taken shape, a series of major construction projects have been launched—some already completed—and early harvests have been achieved. At this five-year milestone, it is essential to review what has been accomplished, examine the underlying motivations, and consider future prospects.

The efforts undertaken during these five years can be broadly classified into three categories: institutional development, project implementation, and safeguard provision. Through high-level state visits, the Belt and Road Forum for International Cooperation, bilateral cooperation agreements, and detailed national planning for strategic alignment, China and participating countries have continuously enhanced mutual understanding, built consensus, and established a comprehensive institutional framework for the Belt and Road Initiative.

2. The Institutional Framework: “One Goal, Two Features, Three Principles, Four Mutuals, and Five Connectivities”

The institutional framework for the Belt and Road Initiative comprises five core components, summarized as “one goal, two features, three principles, four mutuals, and five connectivities,” supplemented by other relevant elements.

One Goal: Building a Community with a Shared Future for Mankind.

This represents the ultimate objective of the Belt and Road Initiative. In his January 2017 speech at the UN Office at Geneva, President Xi Jinping elaborated on this concept from five dimensions, calling for a world of lasting peace, universal security, common prosperity, openness, inclusiveness, and a clean, beautiful environment [1]. Later, in his keynote speech at the Belt and Road Forum for International Cooperation in May 2017, he envisioned the Belt and Road as a path toward peace, prosperity, openness, innovation, and civilization [2]. These concepts are fundamentally consistent and point toward the shared goal of building a community with a shared future for mankind to achieve common development. This vision offers a Chinese solution to global challenges such as development imbalances, governance deficits, digital divides, and fairness shortfalls.

Two Features: Openness and Inclusiveness. These are the most essential characteristics of the Belt and Road Initiative. As a new international platform, the Initiative embodies many features, with openness and inclusiveness at its core. These features are reflected in President Xi’s stated goals for the Initiative, in the “Silk Road Spirit” he emphasized at the Forum, and in his advocacy for an open, inclusive, balanced, and beneficial economic globalization and a more equitable and reasonable global governance system. Openness encompasses not only trade, investment, finance, and information but also culture, education, and healthcare—ultimately enabling different civilizations and nations to develop through openness and coexist through integration. Inclusiveness means that the benefits should be shared by all participants, including impoverished populations and developing countries, ensuring that all derive tangible gains from the Initiative.

Three Principles: Extensive Consultation, Joint Contribution, and Shared Benefits. These principles guide the Belt and Road cooperation. In June 2014, President Xi Jinping stated at the opening ceremony of the sixth ministerial conference of the China-Arab States Cooperation Forum that China

and Arab countries should adhere to these principles in jointly building the Belt and Road [3]. The document *Building the Belt and Road: Concepts, Practice and China's Contribution*, released by the Leading Group for Promoting the Belt and Road Initiative in May 2017, also explicitly identified these as fundamental principles [4]. These principles align closely with the “Shanghai Spirit” of mutual trust, mutual benefit, equality, consultation, respect for diverse civilizations, and pursuit of common development, representing the essence of the Chinese approach.

Four Mutuels: Peaceful Cooperation, Openness and Inclusiveness, Mutual Learning, and Mutual Benefit. These constitute the basic spirit of the Initiative, which President Xi has emphasized as the core Silk Road Spirit [2]. In his detailed explanation at the Forum, he stressed the importance of friendly cooperation between China and other nations. This includes jointly building land and maritime Silk Roads through peaceful means; seeking common ground while preserving differences among different civilizations, religions, and ethnic groups; promoting exchanges and mutual learning among peoples from diverse cultural and knowledge backgrounds; and ultimately enabling all parties to reap the fruits of cooperation and achieve common development. History and reality have both demonstrated that adhering to this win-win approach can effectively manage relations among different countries, nations, and peoples.

Five Connectivities: Policy Coordination, Infrastructure Connectivity, Unimpeded Trade, Financial Integration, and People-to-People Bonds. These are the main cooperation priorities. President Xi initially proposed this concept in September 2013, which was later refined in the *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st Century Maritime Silk Road* issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce in March 2015 [5][6]. These five connectivities form the substantive content of Belt and Road cooperation.

3. Key Projects: Infrastructure and International Capacity Cooperation

Key Belt and Road projects have concentrated on two main areas: infrastructure development and international capacity cooperation.

3.1 Infrastructure Development Infrastructure projects have focused on the six major economic corridors and the “multiple countries, multiple ports” system, supplemented by other projects under the Belt and Road framework.

Six Economic Corridors: 1. China-Mongolia-Russia Economic Corridor: The Harbin-Manzhouli Railway has completed electrification upgrades, approximately ten power transmission lines between China-Mongolia and China-Russia have been constructed, and preparatory work has been finished for the Moscow-Kazan high-speed rail project and the China-Mongolia “Two Moun-

tains” Railway. 2. **New Eurasian Land Bridge:** An increasing number of countries and cities have built railway connections to this main corridor. The China-Europe Railway Express now connects 43 cities in 15 European countries, with over 10,000 cumulative trips made. 3. **China-Central Asia-West Asia Economic Corridor:** The Kamchiq Tunnel in Uzbekistan (Angren-Pap railway tunnel), the first railway tunnel built by Chinese enterprises in Central Asia, opened in June 2016. The Vahdat-Yavan railway in Tajikistan, the first railway built by Chinese railway construction enterprises in Central Asia, began operations in August 2016. Natural gas pipelines from Central Asia (mainly Turkmenistan) to China—Lines A, B, and C—have been completed and are operational, while Line D is under construction. 4. **China-Pakistan Economic Corridor:** The Karakoram Highway Phase II expansion extending southward is underway, and the upgrade of Pakistan’s Railway Line 1 is progressing smoothly. 5. **Bangladesh-China-India-Myanmar Economic Corridor:** China-Myanmar oil and gas pipeline projects were completed in 2013 and 2017, respectively. 6. **China-Indochina Peninsula Economic Corridor:** Railway projects including the Indonesia Jakarta-Bandung high-speed rail, China-Thailand railway, and China-Laos railway are progressing smoothly. The first phase of the Lancang-Mekong River improvement project has been completed, and the second phase is underway.

Multiple Countries, Multiple Ports: The Gwadar Port in Pakistan is progressing well, with its economic zone’s first phase essentially completed. The Kyaukpyu Port in Myanmar has commenced construction. Sri Lanka’s Hambantota Port and Colombo Port City projects have returned to normal construction after some delays. Chinese companies have participated in over 50 port projects across more than 20 countries along the 21st Century Maritime Silk Road.

Other Projects: Beyond the six corridors and ports, numerous other infrastructure projects are underway. For instance, Chinese enterprises are currently building over 6,000 kilometers of railways and more than 5,000 kilometers of highways in Africa, along with several ports and airports (such as Djibouti Port). Some projects have been completed and are operational, including Kenya’s Mombasa-Nairobi Railway (opened May 2017), Nigeria’s Abuja-Kaduna Railway (opened July 2017), and Ethiopia’s Addis Ababa-Djibouti Railway (opened 2017).

3.2 International Capacity Cooperation International capacity cooperation represents another key focus, with a major component being the development of overseas industrial parks. By August 2018, five years after the Initiative’s launch, China had established 82 overseas economic and trade cooperation zones in Belt and Road countries, hosting nearly 4,000 enterprises with total investment reaching \$28.9 billion. Additional industrial parks have been invested in outside the Belt and Road region, particularly in Africa.

4. Safeguards: Financial and People-to-People Foundations

Effective safeguards are essential for the Belt and Road Initiative's success, primarily including financial support and people-to-people connectivity.

4.1 Financial Support To facilitate Belt and Road construction, China has established three new international financial institutions in 2015-2016: the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank, and the Silk Road Fund. While the first two are not exclusively for Belt and Road projects, a substantial portion of their funding supports the Initiative. The Silk Road Fund primarily provides financial services for Chinese enterprises participating in Belt and Road projects in Africa.

China has also created numerous dedicated funds, including the Silk Road Fund, RMB Overseas Investment Fund, China-Kazakhstan Production Capacity Cooperation Fund, China-Africa Development Fund, Lancang-Mekong Cooperation Special Fund, China-ASEAN Investment Cooperation Fund, China-Eurasia Economic Cooperation Fund, 21st Century Maritime Silk Road Industrial Fund, Asian Investment and Financing Overseas Fund, China-Russia Regional Cooperation Development Investment Fund, and various joint financing funds, along with numerous local and enterprise-level Belt and Road industrial investment funds. To date, the Silk Road Fund alone has invested \$6.4 billion in Belt and Road projects, primarily in Russia, Mongolia, Central Asia, South Asia, and Southeast Asia.

Chinese banks have accelerated their presence in Belt and Road countries, with 11 Chinese banks establishing 71 first-tier institutions in 27 countries (mainly in Southeast Asia, West Asia, and Russia). The China Development Bank has issued over \$180 billion in loans to Belt and Road countries, while the Export-Import Bank of China has provided more than \$120 billion in loans to support the Initiative. Additionally, banks like Bank of China and China Development Bank, along with companies like China Merchants Port Holdings, have issued substantial Belt and Road special bonds (including some panda bonds) to finance projects.

4.2 People-to-People Connectivity People-to-people bonds constitute a foundational safeguard. President Xi specifically included this element as a key cooperation priority. Over the past five years, cultural, educational, scientific, technological, health, sports, tourism, and party and civil exchanges have developed rapidly. For example, the number of students from Belt and Road countries studying in China has grown substantially—from approximately 350,000 students from about 200 countries in 2013 to over 300,000 from Belt and Road countries alone by the end of 2017. Tourism data are similarly telling: in 2017, China received about 43 million overseas visitors, with approximately 75% from Asia. By 2020, two-way tourism between China and Belt and Road countries is expected to exceed 85 million visits.

These educational and cultural exchanges have enhanced mutual understanding and friendship between China and participating countries, building popular support for the Belt and Road Initiative.

5. Why the Belt and Road? Dual Perspectives

China's advocacy for the Belt and Road Initiative reflects considerations of both domestic development and international cooperation, aiming to promote common prosperity for China and the world.

5.1 China's Perspective: Four Key Benefits From China's viewpoint, the Initiative directly contributes to sustainable development in four ways.

First, it strengthens trade relations with partner countries, enabling China to import needed products and ensure adequate supply. In 2017, China imported 420 million tons of crude oil (68.9% of total demand), 83.8 billion cubic meters of natural gas (35.3% of consumption), 95.42 million tons of soybeans (86.3% of domestic consumption), and 1.07 billion tons of iron ore (46.5% of total demand). To secure these resources, China has built comprehensive energy pipeline networks in Central Asia, including natural gas and oil pipelines. The China-Central Asia Gas Pipeline (Lines A, B, and C) and the China-Kazakhstan Oil Pipeline have made China the largest energy export market for resource-rich Kazakhstan, Turkmenistan, and Uzbekistan.

Second, the Initiative promotes a new pattern of all-around opening-up. As an open and inclusive platform, it encourages China to open its doors wider and strengthen connections with the world. Over the past five years, China has enhanced relations with 64 Belt and Road countries. Following the 2018 Beijing Summit of the Forum on China-Africa Cooperation, Belt and Road construction has accelerated its alignment with African development, ushering in a new phase of China-Africa cooperation. Future cooperation will extend to Latin America and other regions.

Third, it fosters development in China's border regions. The establishment of cross-border economic development zones with neighboring countries—such as the Khorgos Economic Development Zone on the China-Kazakhstan border and the Mohan-Boten Economic Cooperation Zone on the China-Laos border—has transformed former peripheral areas into central hubs for bilateral or multilateral cooperation, greatly promoting regional prosperity.

Fourth, international capacity cooperation and increased outward investment support China's supply-side structural reform. Additionally, these efforts promote the internationalization of the RMB.

5.2 Global Perspective: Three Major Benefits From a global perspective, the Belt and Road Initiative delivers at least three significant benefits.

First, it promotes global economic growth, particularly in developing countries. Many developing nations face capital shortages, resulting in inadequate investment, poor infrastructure, high trade costs, and severe electricity deficits. China has invested in these countries, with its investment stock in Central Asia reaching \$9.14 billion by the end of 2016. China is now the largest investor in Turkmenistan, Kyrgyzstan, and Tajikistan, and the second-largest in Kazakhstan. China has also promoted international capacity cooperation by establishing industrial parks and developing modern agriculture. The China-Kazakhstan Production Capacity Cooperation Fund (\$2 billion) and the Pengsheng Industrial Park in Uzbekistan (providing over 1,000 jobs and 20% of local tax revenue) exemplify this approach.

Second, the Initiative enables more developing countries and their peoples to benefit from globalization and global governance. With its strong openness and inclusiveness and its adherence to extensive consultation, joint contribution, and shared benefits, the Belt and Road cooperation promotes equality and mutual benefit. This helps maintain and strengthen multilateral cooperation mechanisms, particularly in trade and investment, curbs unilateralism, advances economic globalization and its transformation [7], improves global governance, and allows more developing countries to participate equally in global co-governance.

Third, it ultimately contributes to building a community with a shared future for mankind. Following green and sustainable development principles and emphasizing infrastructure and social development, the Initiative aligns well with the UN 2030 Agenda for Sustainable Development, promoting global sustainable development.

6. Future Prospects: Challenges and Policy Recommendations

Five years of Belt and Road implementation have achieved positive results in institutional building, project execution, and safeguard provision. What lies ahead? The outlook appears promising because the Initiative addresses fundamental needs. Developing countries—the primary participants—require capital for infrastructure to connect their abundant natural resources and labor to markets. After 40 years of reform and opening-up, China has accumulated capital, equipment, and applicable technology, creating a supply that matches developing countries' demand. The Belt and Road Initiative's openness, inclusiveness, and comprehensiveness make it well-suited to promote mutual development. Its rapid endorsement by numerous countries, international organizations, and multinational corporations demonstrates that it meets shared global development needs.

Completed projects have already delivered tangible benefits. The Mombasa-Nairobi Railway reduced freight costs by nearly 80%, revitalized towns along its route, increased employment and tax revenue, and contributed an estimated 1.5 percentage points to Kenya's annual GDP growth. Pakistan's Sahiwal Coal Power Plant, completed in 2017, resolved electricity shortages for 10 million

people. Such successes build confidence in the Initiative's value.

However, based on five years of experience, three issues require particular attention for future success:

1. **Debt Sustainability:** As a major investor, China must monitor macroeconomic indicators in host countries, especially fiscal deficits and debt levels, while also tracking micro-level project financials, including cost changes and investment arrangements, to ensure sound project financial management.
2. **Hardware-Software Coordination:** Infrastructure development must be paired with trade facilitation measures to reduce transportation costs and enable partner countries to export, especially their specialty products, thereby gaining early benefits from Belt and Road projects.
3. **Building Self-Sustaining Capacity:** Investment should focus on developing the real economy, promoting industrialization and agricultural modernization to enhance host countries' "self-generating capacity" for healthy, rapid growth. If the Belt and Road cannot strengthen participants' own development capabilities, its long-term impact will be limited.

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