

In a post COVID-19 world, book highlights how China is counting the costs, struggling to get back on track

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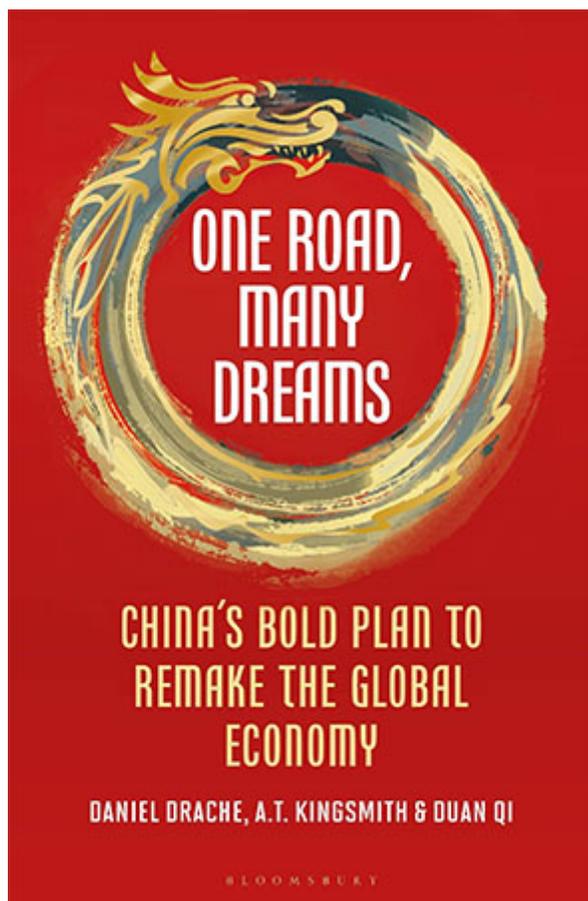
Will China's global infrastructural initiative survive in a post COVID-19 world?

The book, *One Road, Many Dreams* (Bloomsbury Press, 2019), written by three political economists affiliated with York University, hints that it just might.

One Road, Many Dreams is co-authored by **Daniel Drache**, professor emeritus of political science at York University and senior research fellow at the Robarts Centre for Canadian Studies; **Adam T. Kingsmith**, York PhD candidate in political science; and **Duan Qi**, assistant professor at Baihang University and a past visiting professor at York University.

The book outlines an ambitious experiment by China that is known as "One Belt, One Road" that was launched in 2013 as the "New Silk Road" by Chinese President Xi Jinping, and subsequently was renamed One Belt, One Road (and is also referred to as the Belt and Road Initiative or BRI). This experiment has at its heart a goal to create a vast, transnational network of infrastructure projects stretching from China throughout Asia, South Asia and Africa.

While the book *One Road, Many Dreams* was researched and written in advance of the COVID-19 pandemic, it paints a portrait of an ascending economy with deep pockets and institutional flexibility that should not be underestimated. With the pandemic far from over, China's bold plan to remake the global economy has stalled and on the back burner for the time being.



Cover of One Road, Many Dreams. Image used with permission by the authors

Why would the One Belt, One Road strategy position China to continue its commitments to grow and expand the Belt and Road Initiative (BRI) in a post-COVID-19 world? The answer is embedded in China's unique approach to global infrastructure and a well-developed and executed plan of "debt diplomacy."

"Under its audacious One Belt, One Road strategy, China is investing more than \$4 trillion in hundreds of projects all around the globe. No one knows what the final cost will be. It's buying up ports, building transport networks and constructing major infrastructure. From hydroelectric plants to oil

pipelines," says Drache, the book's lead author. "China supplies the labour if needed, the raw materials and the finance, creating customers and boosting its own economy in the process. The objective? To change bit by bit the existing economic and political world order.

"The One Belt, One Road is on all continents but North America," says Drache. "It is massive. China has acquired major ports in Africa (Djibouti), Europe (Piraeus) and Australia (Darwin). It is also building the port in Haifa (Israel). Beijing also has a very large presence in Latin America."

As part of One Belt, One Road, China collaborates with governments from across the political spectrum. Chinese recruitment of partners is largely hard headed rather than ideological, says Drache.

The One Belt, One Road derives its roots from China's long history of expansive, big-picture thinking, explains Drache. "In the second century, the Silk Road was established during the Han Dynasty and it linked land and water trade routes extending from China to India, Persia, Turkey and beyond. Caravans left Eastern

China loaded with silks, spices, gunpowder, weapons, jade, glassware and other luxury items, which were in high demand in the West.”

The Silk Road, which lasted until the 18th century, is credited for rapidly advancing the economies and civilizations of China, Korea and Japan light years ahead of most European nations during the same historical period. The premise behind One Belt, One Road is like the Silk Road, but instead of building resilience through trade routes, this strategy is focused on infrastructure development as a route to creating employment, a demand for products and expertise, access to global markets for China’s industries, which in turn provides the oxygen and sustenance China needs to continue to advance its own economic resilience and geopolitical influence. (View Drache's TED Talk on One Belt, One Road at https://v.youku.com/v_show/id_XMzEwOTgzMDg4NA==.html.)



Daniel Drache

To provide context, Kingsmith says One Belt, One Road represents the largest infrastructure project in history, far surpassing the Marshall Plan launched by the United States in 1948 to help a small number of Western European countries recover from the Second World War. The Marshall Plan's initial \$50 billion in today’s dollars would be worth approximately \$130 billion U.S. in total. It was delivered over a short period to a limited number of countries. “The Marshall Plan pales in comparison to China’s One Belt, One Road strategy, which started with 30 countries and now involves more than 150 countries,” says Kingsmith. “The final price tag, which no one knows for sure, will be somewhere close to \$10 trillion U.S., so, it is massive in scope.”

Why did China launch One Belt, One Road? The initiative is being used by China to provide a geopolitical counterweight to American influence and militarism, says Kingsmith noting that it is targeted to mitigate American efforts to isolate and build a virtual wall of containment around China and its interests. What is interesting, he says, is not only the vast amount of money involved, it is the fact that there’s no loyalty test for countries to join, which is very different from past approaches by China. “Countries can buy in and leave One Belt, One Road at

any time, there is no loyalty test, there's no overarching mandate," says Kingsmith. He equates this approach to it being an exclusive, soft diplomacy investment club hosted by China. (By 2049, One Belt, One Road is set to end on the 100th anniversary of the Chinese Communist Party coming to power.)

While One Belt, One Road initially looks like a standalone initiative, it is really integrated with other activities underway, with the largest and most influential being the Asian Infrastructure Investment Bank (AIIB), which now has more than 140 members supplying funds. "This [AIIB] can be seen as an alternative to the International Monetary Fund (IMF) and the World Bank," observes Kingsmith. There's also the New Silk Road Fund, which is owned by the Chinese government with \$40 billion earmarked for investment in One Belt, One Road countries and the New Development Bank (formerly named the BRICs Development Bank) that is headquartered in Shanghai, China, which has on its books an authorized capital of \$100 billion.



Adam T. Kingsmith

In implementing One Belt, One Road, China has taken a very pragmatic approach, says Kingsmith, noting that One Belt, One Road is not about building socialism or expanding communism. It cannot even be viewed as an attack on existing multilateral agencies. In fact, he says, it is quite to the contrary as China is a firm supporter of the World Trade Organization, World Health Organization and other joint agencies. From this perspective, One Belt, One Road is truly unique because it doesn't fit into the Cold War or the post-Cold War paradigms.

What is clear is the robust nature of this three-dimensional game of chess is that money attracts money. China's approach to global infrastructure development will not only cement the country's position as a global economic superpower, it will also build new initiatives, new roles, new policies and more. And, through One Belt, One Road, China may have strategically positioned itself

to weather the oncoming economic firestorm unleashed by the COVID-19 pandemic, which has left many Western and European economies in tatters.

While it is inevitable that some countries will default on their One Belt, One Road commitments and failures are a given, this approach pushes many of its partners into China's global sphere of influence. So far, countries that are "debt distressed" have not quit the BRI. Many have renegotiated the terms of their loan. The authors say Canada would do well to pay attention to One Belt, One Road and ignoring it would be a mistake. "There are many opportunities for Canada, especially with its expertise in engineering and development," says Kingsmith, "China's infrastructural-driven diplomacy is too important to ignore." This powerhouse of potential will indeed come into sharper focus for Canada as the country emerges from COVID-19 with a projected deficit estimated to reach \$184 billion or 8.5 per cent GDP.

In the decades ahead, China appears to have positioned itself to ride out the ravages of the COVID-19 pandemic. The U.S. approach to protectionism through its America-first policies and talk by its president of "de-linking" the American and Chinese economies has ominous implications for the long-term health of the U.S. economy. Drache notes that while the U.S. has launched a \$50-billion fund targeted to American private enterprise in response to One Belt, One Road, it may be too little, too late. China's state-owned, soft diplomacy through One Belt, One Road has built within the first five years since this strategy launched 200 hydroelectric dams, 41 gas and oil pipelines, 203 railway lines, roads and bridges in Africa, South and Central America.

"The rest of the world needs to wake up and pay attention because the scale of One Belt, One Road is unprecedented. Its implications for the global structure of power are potentially seismic as the geopolitical ties between Europe and Asia deepen," says Drache.

One Belt, Many Dreams is published by Bloomsbury Press and is available on Amazon.

By Jenny Pitt-Clark, YFile editor

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