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Countering China:
US Responses to the
Belt and Road Initiative

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1

US-China Relations

Much has been said about the relationship between the United States and China, particularly after Deng Xiaoping committed the country to reform and opening-up at the end of 1978. Rightly so. It is, after all, the world's most important bilateral relationship.

As countless headlines and news reports demonstrate, increasingly combative questions about the character and value of that relationship in the United States and beyond have been raised at regular intervals over several decades, with new ones emerging during President Donald Trump's term of office. These include: Is China now "overtaking" the United States as the world's principal superpower? Are imports from China undermining US manufacturing, thereby hitting those on the lowest rungs of the economic ladder? Is it legitimate to talk of a "China shock" as the impact of dramatically increased trade has taken a toll? Should the extension of permanent normal trade relations (PNTR) to China in 2000, just as President Bill Clinton was nearing the end of his second term, now be regarded as a grievous mistake?

Further concerns focus on whether US policymakers and bodies such as the World Trade Organization (WTO) have surrendered to Chinese demands and whether US supply chains have become overdependent on the whims of Chinese producers. Chinese firms seem to enjoy an unfair advantage because of the mercantilist strategies pursued by the Chinese state apparatus, so should US firms do more to address labor conditions among their suppliers in China? In addition, large-scale Treasury bond holdings by China, and fears that they could be dumped on the markets, have at times seemed to be a financial gun held to America's head. Technology is another area of concern. China has been accused of appropriating US technology through straightforward espionage or forced transfer

requirements included in the contracts governing foreign companies operating in the Chinese market. Is China now encroaching on the US lead in strategically sensitive sectors such as artificial intelligence? There are also political and strategic worries that China is a “revisionist” power seeking to overturn the established global order either because of its growing strength or the strength of its ideological commitments, and that the Chinese government’s actions in Hong Kong and Xinjiang signify a new authoritarianism. Finally, there is the Taiwan question. Will US “strategic ambiguity” regarding the defense of Taiwan fail to deter an attack or invasion and, under such circumstances, would the United States and China be heading toward some form of military conflict?

In many instances, those who asked these questions had ready answers, which always painted a profoundly critical picture of contemporary China. This is because, after years of equivocation, policymakers, the think tanks constituting the foreign policy “establishment,” and the wider American public have become increasingly hostile toward Beijing.

Within government, this hostility became pronounced during the latter half of 2017, following months of uncertainty about the character of the relationship. The multifaceted approach toward China pursued by the Barack Obama administration was replaced by the Trump White House, which established a trajectory declaring that the United States and China were engaged in “strategic competition.”¹

While this changed mood acquired more of a diplomatic veneer following President Joe Biden’s inauguration, it nonetheless continued. When senior US and Chinese officials met formally for the first time in March 2021 in Anchorage, commentators were struck by the continuity between the Trump and Biden policy approaches (Jakes and Myers 2021). Whatever breaks and repudiations there had been in other policy arenas, China was still regarded as a strategic and economic competitor in the Indo-Pacific and across other regions. Few expected any significant improvement in bilateral relations.

The United States and the Belt and Road Initiative

US policy responses to the Belt and Road Initiative (BRI), this book’s subject of study, should be seen within the overall context of this bilateral relationship and all its different dimensions. Such responses are inevitably intertwined with the broader questions noted above and reflect the changing character of US-China relations.

Initial US reactions to the BRI were hesitant and cautious. The Obama White House was mindful that its objections to the Chinese-led Asian Infrastructure Investment Bank (AIIB) in 2015 had left it relatively isolated as

European countries raced against each other to become founder members. It therefore acquiesced as the BRI took shape and, at times, even offered muted support for it.

In contrast, the Trump administration was unequivocal in its opposition to Beijing's commitment to global infrastructural development.² The National Security Strategy published by the White House in December 2017 represented the BRI as part of a project to reshape the global order and declared that China's "infrastructure investments and trade strategies reinforce its geopolitical aspirations" (Ashbee 2020: 376). This book considers the ways in which the US critique of the BRI was, or was not, translated into policy and implemented.

The BRI: Win-Win Cooperation

The BRI was first established in 2013 as One Belt One Road (OBOR) and, although framed in terms of "win-win cooperation," it also seemed to capture the economic, political, and strategic élan of a resurgent China.³ Furthermore, it quickly became the defining endeavor of Xi Jinping's presidency and a deliberate evocation of China's Han Dynasty, which had forged trade routes across Central Asia to Europe. The "Belt" originally consisted of six economic corridors stretching from China across Eurasia. The "Road" sought to invest in and develop shipping routes through the South China Sea, the South Pacific Ocean, and the wider Indian Ocean area. These initiatives were tied, at least in public statements of intent, to policy coordination, connectivity, unimpeded trade, financial integration, and the development of people-to-people bonds.

Although the Chinese government has shied away from direct comparisons, the BRI dwarfed the Marshall Plan that provided US assistance to Western Europe in the aftermath of World War II.⁴ Moreover, in many countries, the BRI gained political and economic policy capital from the Chinese development model. It seemed to promise rates of growth that contrasted sharply with the tepidity of the economies of North America and Europe, which remained caught between the hardships caused by the prolonged aftermath of the 2008 financial crisis and commitments to government debt reduction. In particular, the BRI seemed to highlight the structural weaknesses of the United States and its growing inability to provide global, or even regional, public goods. Alongside this, it also provided a basis for urbanization modeled on the development of Shenzhen, as well as the development of economic corridors and "connectivity." The "port-park-city" development around Djibouti and the construction of Borten on the Laos-China border have been hailed as examples of this (Chen 2020: 50–54).

Nonetheless, while hailed and projected in grandiose terms and depicted by hostile commentators as a singular, unified expansionary drive directed by the Chinese Communist Party, the BRI was, from its inception, open to criticism. Its overall purpose and boundaries were always uncertain and imprecise. Indeed, there is no official definition of what constitutes—or what does not constitute—a BRI project (A. Gupta 2018: 60). Although an extreme example, it has been noted that even a tire factory constructed in Serbia has been labeled a BRI project (Medcalf 2020: 103). Commentators have suggested, on the basis of comparable cases, that it is in large part a branding exercise that has reframed commercial projects that were already planned or under way.

Furthermore, the BRI's governance structures are hard to identify, although there was an arbitration commission and courts were created to adjudicate in disputes (Silk Road Briefing 2018). There is, however, as a report commissioned by the Council on Foreign Relations has noted, no central governing institution (Lew et al. 2021: vii). Instead, the BRI is structured around multiple, and often competing, actors including China's policy banks, state-owned enterprises, the National Development and Reform Commission, the Ministry of Commerce, and the Ministry of Foreign Affairs. The relationship between public and private participants is always uncertain. Furthermore, BRI governance processes do not take place within China alone. Although driven by Chinese political and economic logics, there are transnational networks of actors structured around interactions with elites across the different continents: "The BRI is adaptive and responsive to demand pulls: it expanded into Latin America not primarily at the behest of Chinese officials but rather because of lobbying by Latin American political elites" (Lew et al. 2021: 13).

Infrastructure Development

The building of infrastructure can lay a basis for the development of industrial concentrations in particular regions (Pierson 2000). Apart from its inherent values, it also offers potential spillovers and complementarities. Even more importantly, infrastructure has at times been at the core of state-building processes and political development. In the United States, for example, while there had been earlier efforts at infrastructural development through the construction of canals and roads during the nineteenth century, railroad development acted as a spur to the emergence of townships and cities, and increasingly unified the domestic market as well the growth of allied industries and sectors. Furthermore, given the size and scale of the railroad network and the negative externalities created by interstate competition, its construction compelled the individual states to turn to the federal

government in Washington. Even though the process of centralization was held back by the separation of powers between the branches of government and the obstacles to coalition building within Congress, railroad development reconfigured the relationship between state and federal government. Over time, it “funneled more and more economic and political might to Washington, DC” (Callen 2016: 14). Similarly, although the construction of the Berlin to Baghdad railway was completed only in the 1930s, it was initially seen as a way of cementing Germany’s economic and political position and tying its empire together, which has led to today’s direct comparison with the BRI (Doshi 2021: 236). Given these precedents, the scale of the BRI across countries and continents encompassing more than 65 percent of the world’s population, the network of associated institutions such as the AIIB, and the BRI’s increasingly close associations with new technology, it is difficult to underestimate the initiative’s long-term potential. There are already indications of this. Chinese efforts to promote high-speed railway development in other countries have gone hand in hand with agreements that would broaden and deepen cooperation in military affairs, culture, research, and education (Rolland 2017: 103–104). In other words, contemporary infrastructure projects, as so often before, have served as a spearhead for broader forms of political and economic integration.

Moving Beyond Infrastructure

Above and beyond this, the BRI has spawned multiple belts and multiple roads pitched at ever increasing levels of ambition. Among other projects and initiatives, the BRI has generated a Polar Silk Road, a Space Silk Road, a Digital Belt and Road (structured around fifth-generation [5G] telecommunications systems), a Health Silk Road, a green Silk Road, as well as a “spatial information corridor” based on the BeiDou satellite navigation network (Cronin 2021). As this list suggests, the BRI has been moving up the value chain. Indeed, the pace of Chinese technological advances, both inside and outside the framework of the BRI, was such that there were increasingly intense fears about Chinese involvement in 5G technology, artificial intelligence, and robotics. These overlapped and interlinked with concern about the BRI itself and more traditional Chinese infrastructure projects. At the same time, it also expanded spatially. Instead of being a Eurasian physical connectivity project, the BRI went global.

Against this background, the slogans that framed the BRI in terms of “building of a Community of Shared Destiny” do not seem to be the absurd hyperbole of propagandists. While the Covid-19 pandemic, questions about the prospects for the Chinese economy, and widespread claims that BRI projects were environmentally unsustainable and burdened recipient countries

with excessive debt led, as shown later in the book, to a partial reconfiguration of the BRI, it nonetheless remains a gargantuan project.

Levels of Analysis

Most studies of US-China relations have been conducted at either a macro or micro level. Many of the former have drawn on the theoretical frameworks, such as realism, that define international relations as a discipline. Graham Allison's (2017) invocation of the Thucydides Trap, whereby there is a likelihood of conflict when a rising power begins to challenge an established hegemon, has been widely cited. In contrast, those drawn toward the defining principles of liberal internationalists have held out hope that China could, despite its growing assertiveness, be drawn into the global order and the institutions that define it. The logic of participation within those institutions could, it was said, restrain and constrain China. Even where China established new, potentially rival, institutions such as the AIIB it would, the argument went, be compelled to win the confidence of partner countries and the financial markets if it were to secure credibility (Ikenberry and Lim 2017). The development of the AIIB suggests that there is a degree of validity to this claim.

Other studies have, in contrast, adopted a micro-level approach and focused on the core personae and the character of the interactions between the United States and China (Davis and Wei 2020; Rogin 2021a). Seen in this way, US-China relations owe much to personalities and perceptions. Such micro-level accounts have emphasized the expectations among the Chinese leadership of a Hillary Clinton victory in the 2016 presidential election, the lack of preparedness for the possibility of a Trump presidency, and, as a corollary, uncertainty about its strategic intentions and the options open to Beijing.

In a similar vein, accounts of policy processes in Washington have pointed to the lack of coherence and direction within the Trump team. There were not simply hawks and doves when it came to China, but factions and fractures within both sides (Rogin 2021a: 17). Thus, while the administration asserted publicly that it was pursuing a "whole of government" approach that brought together the different departments and agencies, there were profound tensions that were compounded by the unpredictable character of the president's statements and tweets as well as his mercurial personality. The Trump White House championed protectionist trade policies and often seemed to regard its military commitments across Asia as a bargaining counter. This cut across efforts to build a common front against China. For other nations, including core US allies, more often than not, all of this led to "confusion, and occasionally derision" (Warren and Bartley 2020: 202).

Unlike studies that use the macro- and micro-level frameworks, this book looks at the BRI through a meso-level lens. Such an approach is certainly framed by the structural challenges posed by a rising China as well as the internecine warfare that characterized the Trump White House. However, the emphasis is on broader policy development, implementation, impact, and feedback processes all the way through the Biden administration.

Conceptual Frameworks

In adopting a meso-level approach, the book draws on three conceptual frameworks that are more usually employed in accounts of domestic policy development. The first is historical institutionalism. Like all the “institutionalisms,” historical institutionalism begins with the assumption that institutions should be understood in broad terms as encompassing rules, legislation, and policy legacies as well as more formal structures. By definition, all have a degree of stability and “stickiness.” They constrain and, at times, empower actors (Campbell 2004: 1; Pierson 2006: 115–116).

Early accounts within historical institutionalism abandoned the models of policy formation, adoption, implementation, and review based on the policy cycle that once dictated the character of policymaking as a subdiscipline. Such models are rightly regarded as overly rationalist and technocratic. They do little or nothing to explain why reform efforts often fail or there is only limited scope for change. These early accounts also broke ranks with those who represented institutions or policy regimes as being simply a question of power whereby dominant elites have a free hand in imposing the policies that they so choose.

As historical institutionalism took shape, studies of policy development drew on the concepts of path dependence and punctuated equilibrium. From this perspective, radical path-departing change generally takes place during short-term periods of crisis characterized by intense institutional and ideational flux. Such a period of crisis would in these accounts be triggered by an exogenous shock. For example, it took the Russian invasion of Ukraine in February 2022 to spark a seismic change in the character of Germany’s foreign, defense, and security policies pursued since the founding of the Federal Republic in 1949 (Schwarzer 2022).

Once a policy path is established in such settings, it then remains in place, even if many actors regard the outcomes that it creates as suboptimal, over a long-term era characterized by relative institutional and ideational stability. From this perspective, it follows that both policy continuity and change can be understood in terms of punctuated equilibrium whereby there are long periods during which there are only limited, path-conforming changes that are then interrupted or “punctuated” by brief bursts of path-departing change.

As historical institutionalism developed as a framework, the concept of punctuated equilibrium was eventually superseded by much more of an emphasis on incremental processes of policy change that over time eroded and transformed established policy regimes. Within this framework, there have been important studies of policy drift (whereby a policy changes in character as a result of shifts in the external environment) and layering (whereby a new institution is constructed “on top” of an established institution to undermine and weaken it over time).

Related scholarship has also considered the types of “change agent” and the forms of reform strategies that they have adopted (Mahoney and Thelen 2010). These studies suggest that particular institutional settings, such as the number and character of veto points that can be used by well-placed actors to block reform, or the opportunities that either exist or do not exist to create policy alternatives that will generate coordination effects, will facilitate the use of certain strategies by change agents. Certain settings offer strong veto possibilities through the capacity of the courts to strike down a regulation or law while, at the same time, public officials have little discretion in the interpretation and administration of that regulation or law. In such circumstances, head-on assaults or even more modest attempts by change agents to convert those policies or supplant them will probably be fruitless. Instead, therefore, change agents are likely to pursue a strategy based on seeking policy “layering.” Conservative efforts in the United States to weaken social security by promoting individual retirement accounts and other incentives to establish or increase private savings have been used to illustrate this (Hacker 2004). Nonetheless, while recent studies have focused on the ways in which, despite many veto points and other forms of obstacle, reformers have secured policy changes, this book emphasizes the ways in which such changes have been necessarily limited in scope. There are formidable domestic and international barriers limiting the opportunities open to actors.

The book draws, in particular, on two notions that are associated with historical institutionalism. First, *institutional density* is important. This refers to the number of policy legacies and structures within a given policy arena. Since the Great Depression and World War II, most domestic policy arenas in developed countries have become dense indeed. This necessarily limits the options and space open to reformers and often compels them to pursue subterranean strategies whereby established institutions are adapted, rather than changed fundamentally, through processes of incremental change (Pierson 1996). Second, *institutional strength (or weakness)* can have significant effects and consequences. How should such strength or weakness be understood and measured? Studies of domestic policy development suggest that relative institutional strength should be understood as the gap between the outcome had the institution not been created and the

outcome generated by the institution (Brinks, Levitsky, and Murillo 2019: 10). In simple terms, *strength* is the difference that an institution makes (Brinks, Levitsky, and Murillo 2019: 13–14). As a general rule, foreign policy arenas are less “crowded” and institutions are weaker than in domestic arenas. As the book argues, established institutions within the Indo-Pacific region tend to be significantly sparser and weaker in character than those in Europe. This provides a space for the creation of new institutions and structures, but there are nonetheless still challenges in creating new institutions on a significant scale. Those seeking to construct networks that could counter the BRI and China’s rise have therefore sought to collaborate with, and secure co-option by, established institutions.

Second, the book is also indebted to foreign policy analysis (FPA). As it is a broad, catholic association of approaches that cuts freely across disciplinary boundaries, a reference to FPA is not sufficient in itself (Alden and Aran 2017). It is thus more accurate to say that the book is based on studies within FPA. In particular, it draws on the strategic-relational framework that addresses questions of structure and agency and the dialectical processes of interaction between actors and the contexts within which they operate. This framework suggests that alongside institutions policy, feedback, whether it be positive or negative, plays a pivotal role in modifying policies over time and either opening or closing opportunities for further change (Brighi 2007; Hay 1995). In other words, actors’ strategies are repeatedly reshaped and changed by what military observers like to call “events on the ground.”

Third, the book is informed by studies of state capacity and the capacity of the American state to construct, maintain, and sustain the foreign policies it chooses to pursue. Most accounts of capacity have focused on developing countries. On this basis, “capacity” has been understood in terms of variables such as the state’s administrative and revenue-raising capacities (Hendrix 2010).

The concept of capacity and these variables are also important in an American context. Accounts written within the framework of American political development (APD), a subdiscipline that straddles history, politics, and sociology, generally stress, as Chapter 8 records, the paradoxical character of US state capacity and have, for the most part, drawn on Stephen Skowronek’s celebrated description of the American state as a “hapless giant” (L. R. Jacobs and King 2009: 6; Orren and Skowronek 2004). Whereas European studies have often depicted the American state as small, it is, as the word *giant* infers, much more sizable than it may at first sight appear. The state’s size and scope are, however, hidden or subterranean because many state functions (and this is, e.g., evident in health provision) are exercised through private sector actors or at arm’s length from the central state. It has been credibly argued that its very lack of visibility makes it the object of

protest and resentment at the hands of the conservative right. Its beneficiaries are, it has been said, often unaware that they are beneficiaries (Mettler 2011).

Why, from the perspective of much APD scholarship, is the American state not only a giant, but also “hapless”? Despite its sprawling size, it is structurally weak. Not only are there fiscal strains because of the strength of antitax lobbies, but the state apparatus is also porous and exposed to penetration by particularistic interests, most notably through the “revolving door” between government service and commercial interests. The layer of political appointees that changes with every president and during a president’s term(s) of office, and the lack of professional expertise, limit collective experience and institutional memory. At the same time, there are cross-cutting and uncertain lines of accountability and patterns of uncertain jurisdiction, as departments and agencies seek to assert themselves (L. R. Jacobs and King 2009).

The book suggests that these defining characteristics of the American state as well as the governing dynamics of policy development considered by historical institutionalism not only shape the making and remaking of domestic policy, but also inform and structure the character of foreign policy making processes. Certainly, they contribute to an understanding of the ways in which the United States has, and has not, been able to respond to the rise of China and Chinese-led projects such as the BRI.

Structure of the Book

After this introductory chapter, which establishes a framework for the book, Chapter 2 considers the shifting US mood toward China over recent decades and the ways in which this paved the way for Trump’s turn toward much more abrasive and competitive forms of policy.

Chapter 3 then moves away from this broader context and turns to consider US perceptions of the BRI. It looks at the ways in which it was understood by those within the federal government and those in the broader “knowledge regime” constituted by think tanks and other research organizations based largely in Washington. It asks why perceptions of the BRI became much more critical from about 2017 across the political divide despite the intense partisan polarization that defines US politics today.

From Chapter 4 onward, the book provides a detailed and comprehensive study of the different and generally disparate policy responses to the BRI. Chapter 4 assesses US efforts to create alternative models of, and routes toward, infrastructure development particularly within Asia. These efforts were, like the proposals for domestic infrastructure projects put forward at about the same time, structured around the assertion that relatively small amounts of public funding could be used to leverage (or kick start)

far larger amounts of private capital. Within this context, Chapter 5 looks at the creation and evolution of the Blue Dot Network, created to vet and certify proposed infrastructure projects, which became adjoined to the Organisation for Economic Co-operation and Development (OECD) once President Biden took office at the beginning of 2021.

Chapter 6 examines US capacities and the country's ability to counter Chinese efforts across the Indo-Pacific region, through either its own resources or in conjunction with allies and partners. Chapter 7 then assesses the Trump and Biden administrations' efforts to secure a common front with the European Union, rein in those European countries that were engaging with the BRI, and curtail the activities of European firms that were considering cooperation with BRI projects in Asia and Africa. Chapter 8 surveys Build Back Better World (B3W), which was launched by President Biden as a further initiative at the Group of 7 (G7) summit in June 2021, but also considers the attempts by the Biden administration to invoke the challenges to US competitiveness posed by the BRI and China to call for large-scale public investment in physical and "human" infrastructure within the United States itself. The book's conclusion (Chapter 9) draws together the overall US policy record, under the Trump and the Biden administrations, in countering the BRI.

In the following chapter, I consider the broad context in which policy toward the BRI was shaped by surveying the deterioration in relations between the United States and China during the years preceding the 2016 presidential election, as well as the policy shifts that took place once Donald Trump secured the presidency.

Notes

1. The term *strategic competition* had been used previously within the federal government from the early 1990s onward, but not on a systematic basis. It appeared, for example, in the 2001 Quadrennial Defense Review (Blumenthal 2020: 119).

2. Before his administration's policy took shape, Donald Trump and his team were reportedly asked at a meeting held during the transition period with the former Chinese ambassador to support the BRI publicly. The incoming national security advisor, Michael Flynn, is said to have offered praise (Rogin 2021a: x–xi).

3. The Twenty-first Century Maritime Silk Road was announced by President Xi Jinping in Indonesia a month after the announcement of the Silk Road Economic Belt in Kazakhstan (Medcalf 2020: 103).

4. The Marshall Plan provided more than \$140 billion (when measured in 2017 US dollars) while the BRI planned spending amounted to \$4–\$8 trillion (Cronin 2021). This was, however, only a relatively small proportion of total Chinese foreign direct investment. See the China Global Investment Tracker (American Enterprise Institute 2021).