

# Assessing China's Motives

## How the Belt and Road Initiative Threatens US Interests

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### Abstract

China's Belt and Road Initiative continues to be a source of debate across the international community. Some foreign policy experts contend it is a means for China to establish an alternative to the existing liberal international order. While it is certain to provide some positive outcomes to the Chinese people and participating countries, considerable evidence suggests that China's motivations and means for implementation warrant concern. Critiques accusing China of debt-trap diplomacy have considerable merit. Additionally, should the Belt and Road Initiative achieve its planned vision, it is on the trajectory to challenge the national interests of the United States and its European and Indo-Pacific allies and partners. Forging strong multinational efforts that focus on targeted infrastructure investments and shift supply-chain dependence away from China will be necessary to balance the influence obtained by the Belt and Road Initiative.

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The United States has been the global leader and provider of security since World War II and led the establishment of the liberal international order (LIO), which continues to serve as the prevailing concept steering international relations in the present day. The benefits of the LIO, coupled with the end of the Cold War leaving no clearly defined security challenge, allowed the United States to focus on international stability against terrorism, climate change, and other problems of modernity in the interest of a global common good. Meanwhile, China quietly gained influence over the past three decades as Beijing selectively operated within the LIO on its own terms while foregoing some commitments and responsibilities as a participating member. China now threatens the relative post-Cold War stability and vision of a peaceful future within the international community, and many believe China's rise will be the single most defining factor that shapes the future of international relations.<sup>1</sup> US and allied policy makers believed that increased and sustained engagement—a containment by integration strategy—would lead to political liberalization of the People's Republic of China (PRC). China benefited from globalization and open trade, establishing the “fastest sustained expansion by a major economy in history.”<sup>2</sup> China's rise has underpinned the realization that geoeconomics will be one of the primary

domains of strategic competition. Announced in 2013, The Belt and Road Initiative (BRI) is the cornerstone of President Xi Jinping's foreign policy and the Chinese Communist Party's (CCP) primary mechanism of economic statecraft. With more than 140 participating countries, the BRI has allowed China to upset internationally established global regulatory and technical standards at the expense of the Western order.<sup>3</sup> A growing sphere of influence will diminish existing US partnerships, expand illiberalism, and deprive the United States of critical market access.<sup>4</sup> The potential impact of this threat demands a comprehensive multinational response that competes with China while operating within the bounds of the rules-based international order.

### **Different Narratives on the Belt and Road Initiative**

China has long sold the BRI as an extensive network of land and maritime interregional routes logistically connecting China with Southeast and South Asia, Central Asia, Pacific Oceania, Africa, and Europe.<sup>5</sup> As China shifts away from a low-profile international approach, it aims to support infrastructure and industrial development through improved connectivity and cooperation to meet long-term national interests.<sup>6</sup> China's stated national goals for the BRI are to (1) supplement regional development through economic integration, (2) improve Chinese industry while exporting these same improved industrial standards, and (3) resolve issues from excess industrial capacity.<sup>7</sup>

On the domestic front, inequality between prosperous eastern seaboard states and traditional western frontiers such as Xinjiang, Tibet, Inner Mongolia, and Yunnan has frustrated the CCP.<sup>8</sup> With a slowing domestic economy, China hopes to provide an outlet for state-owned enterprises (SOE) that have absorbed massive industrial excess capacity across various sectors. Using the BRI to create international business opportunities for building highways, bridges, ports, and power plants is a means for managing the excess. As a secondary effect, this expanded global economic footprint has strong potential to lead to the renminbi's internationalization, possibly providing a competitive alternative to the US dollar.<sup>9</sup> The BRI also provides a potential solution to China's Malacca dilemma. The Strait of Malacca carries 80 percent of the oil imported to China, a dependency China believes exposes it to a chokepoint vulnerability from a US maritime blockade.<sup>10</sup>

China formalized its commitment to the BRI on its national agenda by incorporating it into its constitution in 2017.<sup>11</sup> China's memories of its century of humiliation underpin the CCP agenda toward a formalized strategy of reclaiming its status as a global power. The BRI serves to accomplish this through expanded economic growth and interdependence, eliminating the restrictions China has absorbed based

on past errors, and ultimately, the widespread inequality between the wealthy eastern seaboard provinces and the much less developed inland western regions.

### **Defining the Threat from the Belt and Road Initiative**

International criticism of the BRI widely perceives the initiative as an aggressive geopolitical move that violates the rules-based LIO by normalizing China's practices of coercion and forced cooperation toward vulnerable countries. The United States generally questions the motives and methods behind China's employment of the BRI and has described it as predatory and a means for deriving influence through corruption and debt-trap diplomacy. For the United States and many of its partners and allies, the BRI is most aptly described as a mechanism for accelerating the CCP's revisionist agenda made possible by discarding Deng Xiaoping's strategy to "hide your strength and bide your time."<sup>12</sup> Xi Jinping has asserted that the time has come to exert strength and reclaim what belongs to China. The result is the widespread perception that China is now shedding its insular image by implementing its version of a modern-day Marshall Plan, but not necessarily with pure intentions.<sup>13</sup>

The BRI will serve as a mechanism for weaponizing the global supply chain and gaining technology dominance.<sup>14</sup> It will position China in the center of Eurasian trade markets, leading to unequal market leverages in the region and driving other regional countries to submit to China's interests.<sup>15</sup> China will gain greater capacity to affect regional actors' political trajectories in a growing CCP sphere of influence centered on China's values, which are predicated on short-term economic gains while devaluing democracy and human rights.<sup>16</sup> China's ability to establish certain global regulatory and technical standards will provide market advantages to Chinese companies and many SOEs under its control. Despite these circumstances, many countries find the BRI very enticing as the benefit from the opportunities of global connectivity and the allure of Chinese investment appear, on the surface, to address some of the developing world's domestic problems. Many countries also perceive no other options to seek these opportunities and are willing to pay the political and social cost as an entry fee. Also, some countries may not have alternatives because past behaviors prevent them from being credible on the international stage, inhibiting them from being considered for targeted investment by the United States or its partners.

The BRI is a means to further CCP national interests and a primary tool for its execution is debt-trap diplomacy. The provisions of loans that China has authorized in regions where other lenders would otherwise not invest has saddled countries with unsustainable debt and set conditions for the CCP to garner control of foreign assets, unrestricted military access, and compel international support for

regional issues and within the United Nations.<sup>17</sup> Additional impacts for accepting China's unregulated loans are the erosion of national sovereignty, corruption on both ends of the loan, and a general inability to resist CCP political pressure that may not coincide with individual state interests.<sup>18</sup> As examples, Kazakhstan, Mongolia, Malaysia, Indonesia, Vietnam, Cambodia, and Laos have adjusted their domestic national development strategies to meet mandated requirements of certain BRI details.<sup>19</sup> By accepting loans beyond the government's capacity to repay, China inevitably restricts sovereign governments' ability to maneuver while locking successive governments to the same financial obligations.<sup>20</sup>

Several elements of BRI lending practices have drawn legitimate scrutiny from the broader international community. Many BRI target countries lack the technical expertise to fully evaluate project contract conditions or internal debt sustainability and cannot navigate complicated dispute or arbitration resolution processes that arise with BRI projects.<sup>21</sup> Since these loans operate outside the standard international monetary system, there is limited protection, and the affected countries have fewer options for recourse. Therefore, China establishes a favorable position to extract nonstandard concessions that infringe on national sovereignty.<sup>22</sup> Given the lack of regulative oversight, the conditions are ripe for inefficiency since many countries involved in the BRI exhibit high levels of internal corruption. This inefficiency is exacerbated by China's lack of enforcing its anti-foreign bribery laws on SOEs operating overseas.<sup>23</sup>

China's Asian Infrastructure Investment Bank (AIIB), which, on the surface, aids in negotiations with BRI countries for low interest rates and zero cash payment loans in exchange for resources or transportation node access, has served as the primary administrative mechanism of debt-trap diplomacy.<sup>24</sup> Essentially, the AIIB aids the weaponization of the BRI as it provides the CCP significant global advantages if the BRI countries cannot follow through with loan completion. Loan defaults allow China to exercise rights to ownership of the natural resources or the freedom to administratively control those transportation nodes under the loan terms.<sup>25</sup>

Consequently, the AIIB allows China to circumvent the primary economic institutions that underpin the LIO. The AIIB acts as a less-regulated alternative to the World Bank and the International Monetary Fund (IMF) by allowing BRI countries to seek investment conditions that otherwise would not be available. Of roughly 5,000 loans totaling \$520 billion, more than half went unreported to the World Bank or the IMF.<sup>26</sup> Given China's willingness to ignore debt sustainability, or possibly the intentional tactic to do so, eight countries currently hold a significant risk of debt distress; Djibouti, the Maldives, Laos, Montenegro, Mongolia, Tajikistan, Kyrgyzstan, and Pakistan.<sup>27</sup> Should some of these countries succumb

to debt issues, they are at risk of posing geostrategic consequences for the United States and its allies, particularly with the transportation nodes at Djibouti, the Maldives, and Pakistan.<sup>28</sup> Although the Western world widely perceives these loan conditions as predatory, there is still widespread interest given the empty vacuum of investment in poverty-stricken nations.

SOEs have served as one of the primary tools for carrying out many BRI projects. SOEs are significant as these organizations, heavily influenced by the CCP, can change the international structure consistent with long-term CCP ambitions. The BRI is a means for securing that change and SOEs will invest and operate according to the direction of the CCP. They will sacrifice profits to gain a strategic advantage for the CCP since subsidies or government bailouts are usually guaranteed. The result is the short-term freedom to explore opportunities in volatile regions that potentially do not deliver monetary profits for the CCP, SOEs, or BRI country in the long-term.<sup>29</sup> This practice does not occur in a democratic society, and it runs counter to the rules of the free market and open trade that the LIO safeguards.

China's pursuit of an economic and infrastructure foothold has widespread geostrategic implications. Sri Lanka received an AIIB \$1.3 billion loan for the modernization of the Hambantota port that included conditions for China's Communications Construction Company to perform the construction.<sup>30</sup> However, when Sri Lanka defaulted on the loan, it opened the door to negotiate a lease for the port for the next 99 years and enabled China to establish a strategic geographic position in the Indo-Pacific theater.<sup>31</sup> This acquisition demonstrates the multidimensional nature of power in China's execution playbook. Port Hambantota will eventually permit power-projection capability as it holds deep water piers and is suitable for supporting aircraft carrier battle groups.<sup>32</sup> China's selective disregard for the region's actual needs is also in question, as it was arguable whether Sri Lanka even needed a modernized port. The Port of Colombo in Sri Lanka processes over 95 percent of the nation's annual trade products, and only 175 cargo ships passed through Hambantota in 2017.<sup>33</sup> Whether the value of this port was meant for China at the expense of Sri Lankan debt is justifiably open to debate. The precedent this sets for the future as China builds a model to secure strategic locations while preying on the vulnerable poses significant strategic consequences for the United States and its allies.

The China-Pakistan Economic Corridor (CPEC), widely considered the BRI flagship project, is critical to China's strategic pivot to the Indian Ocean. The project aims to connect China's western provinces to the Arabian Sea through 1,800 miles of highways, oil pipelines, and railways with an estimated investment value of \$62 billion.<sup>34</sup> However, as the project is still ongoing, it is riddled with questionable optics that have plagued other vulnerable BRI countries. Pakistan

provided China a 43-year lease for land at the Gwadar Port, a key logistical node for CPEC, in exchange for constructing a special economic zone.<sup>35</sup> This came in addition to a 40-year lease and 91 percent of revenue collection going to the China Overseas Port Holding Company for Gwadar Port itself.<sup>36</sup> There is also a high potential for dual-use for Gwadar Port as it has a 14-meter depth and will be more than capable of docking Chinese aircraft carriers.<sup>37</sup> China's investment in Pakistan came at a critical time as the United States withheld aid starting in 2018, and CPEC emerged as a means for overcoming a gap in expected monetary inflow.<sup>38</sup> Now that Pakistan is economically liable to China and has somewhat separated itself from its previous economic dependence on the United States, the ability of the United States to use soft-power influence on Pakistan is diminished.<sup>39</sup> Currently, Pakistan is on the losing end of unfavorable loan conditions and has already publicly acknowledged that it has been excluded from the CPEC implementation process and, therefore, unable to capitalize on the economic revenue associated with port activity.<sup>40</sup>

The Hambantota and Gwadar port projects are two examples of China's strategy to own and control globally significant logistics nodes that the international community relies on. China's control over the handling of goods at major ports also provides the ability to prioritize certain economic zones over others by setting conditions for ground transport from these logistical nodes.<sup>41</sup> China's administrative oversight of the ports will allow it to prioritize its strategic exports over its economic competitors, namely the United States, ultimately impacting the US gross domestic product (GDP).<sup>42</sup> This control further allows China to influence market prices by intentionally inhibiting the availability of goods and commodities by "slow-rolling" deliveries or simply letting perishable goods expire in port by denying loading or lifting rights.<sup>43</sup>

China's control over geographic logistical nodes and ports has ramifications in the event of conflict or threats abroad that affect US national interests. With control of infrastructure, power grids, and railroads, China can shut down necessary logistical support the United States may need to support an ally while simultaneously collecting intelligence on US military operations.<sup>44</sup> Consequently, the logical outcome of China's outward growth will be a need for a greater military posture as it attempts to provide security to BRI investments abroad, placing it in conflict with traditional US security requirements. The People's Liberation Army (PLA) will encounter a greater need for noncombatant evacuations, humanitarian assistance, disaster relief, and counterterrorism missions through a broader overseas presence.<sup>45</sup> The 2019 Chinese Defense White Paper instructed the PLA to seek out international logistical supporting nodes.<sup>46</sup> Furthermore, China's National Defense Strategy outlines the role of frontier defense and the need for

strategic buffers along the BRI corridors.<sup>47</sup> This raises the potential for unplanned military encounters as US and allied military forces operate closer to the PLA as part of the existing US and international interests of protecting the commons.<sup>48</sup> China has long held that it holds a noninterference policy and does not wish to interfere in the sovereignty of other nations. Although it rarely had an interest in the stability of other countries before now, the BRI will force China to confront instability to preserve its economic interests and will require both offensive and defensive measures abroad.

### **Concerns of US Partners and Allies**

The European Union (EU) and North Atlantic Treaty Organization (NATO) have significant interests in Asia as the EU is the second-largest trade partner in the region, constituting 35 percent of European exports to the region. Therefore, any scenario that increases China's ability to exercise greater control and influence over the global commons has economic and security concerns of geostrategic importance.<sup>49</sup> Accordingly, unhindered freedom of navigation in the region is vital to EU members. China's growing economic influence in Europe also highlights the interlinkages of the instruments of power as China's economic footprint in the European theater provides an effective mechanism for acquiring soft power over various governments. However, the North Atlantic Treaty provides the institutional leverage and justification to counteract China's coercion. Article 2 of the treaty moves the institution to "seek to eliminate conflict in their international economic policies."<sup>50</sup> The unilateral agreements that China has reached with at least 17 European countries on BRI projects have already endangered a cohesive and unified China policy. In some areas, particularly in the less-wealthy eastern and southern portions of Europe, the BRI is much more attractive. Despite the NATO 2030 document classifying China as a systemic rival, there continues to be division within the EU and NATO on a unified position and identification on whether China is an immediate threat.<sup>51</sup> Regardless, there appears to be more consensus within the EU versus NATO. In 2018, a leaked report indicated that 27 of the 28 EU ambassadors endorsed a letter to the CCP indicating their collective position that the BRI "runs counter to the EU agenda for liberalizing trade and pushes the balance of power in favor of subsidized Chinese companies."<sup>52</sup> Hungary was the only country that abstained, not surprising given the Hungarian government was being investigated for violating EU transparency requirements for a BRI-championed rail line to Serbia.<sup>53</sup> However, Italy's recent signing of a memorandum of understanding signifying its intent to cooperate with China on future BRI endeavors has broader symbolism for China as it shows formal intent from a member of the Group of Seven (G7).<sup>54</sup>

China's unilateral agreements with vulnerable countries undermine EU cohesion and pose significant competition to European companies with trade, investment, and market access in Europe and Asia. Hungary prevented a unified EU position on The Hague's United Nations Convention on the Law of the Sea (UNCLOS) ruling against China in the South China Sea, and Greece prevented an EU statement meant to censure China for human rights abuses.<sup>55</sup> The Chinese footprint in Europe continues to grow. Currently, SOEs own or partially own more than a dozen European ports or control nodes, which jeopardizes access to critical logistics points and pose similar issues as those in the Indian Ocean region.<sup>56</sup> China's aggressiveness is further reinforced by the perceived and growing cooperative military relationship the CCP is developing with Russia, a relationship indicated by joint exercises, most recently in the Caucasus in 2020 and Beijing's diplomatic and financial support for Russia's invasion of Ukraine.<sup>57</sup> While an improving China–Russia military relationship should not be seen as a zero-sum hedge against the United States; it provides a mechanism for China to better support the BRI. Should China encounter issues within the Russian sphere of influence, if these projects create value for Russia, the CCP may capitalize off Russia's influence over BRI countries within its periphery.

In the Indo-Pacific, the impact of the BRI has required other strategic partners to establish narratives based on their independent circumstances. Japan has remained somewhat neutral and recognizes the role of harsh rhetoric in the region. While Japan views the BRI as a Chinese “power play,” Tokyo maintains that outright opposing the initiative would be counterproductive.<sup>58</sup> Although, Japan does hold similar concerns regarding China's ability to set international standards and increase PLA power projection capabilities.<sup>59</sup> To the west, India has remained firmly opposed to the BRI and perceives the initiative as a violation of sovereignty, particularly regarding CPEC. New Delhi's perception of security better defines India's BRI concerns. In what India would associate with its own sphere of influence, China's land grab in Sri Lanka and enhancing the military power projection of strategic rivals such as Pakistan through CPEC with planned corridors through Kashmir have India concerned with Chinese encirclement.<sup>60</sup> In 2014, Sri Lanka permitted a People's Liberation Army Navy Song-class submarine to dock at the Port of Colombo, potentially foreshadowing future Hambantota Port operations.<sup>61</sup> Given New Delhi's documented concerns with the BRI and India's long history of conflict with Pakistan, the significance of the China–Pakistan relationship and its ability to counter the growing Indian economic footprint in the region is liable to further increase tensions.

Great-power competition (GPC) has unfortunately caught the Association of Southeast Asian Nations (ASEAN) in the middle of various issues. The BRI has



many ASEAN member nations making short-term economic decisions at the expense of long-term autonomy to China. At the same time, the majority of ASEAN members are attempting to remain on good terms with both the United States and China. While there are varying degrees of commitment across the 10 ASEAN countries, they all have poverty issues that need to be addressed, making short-term investments enticing. The BRI has been the only perceived significant injection of capital to address such concerns. Consequently, commitments to the BRI have also made ASEAN nations vulnerable, and there are growing concerns that future dependence on China's capital will make each participating ASEAN country susceptible to China's influence on matters of trade and geopolitics.<sup>62</sup>

### **Missed Opportunities for the United States**

The BRI's success has been enabled by recent US foreign policy, particularly in the ASEAN region. However, the foundation for poor policy regarding China was established in the 1990s. As the United States led efforts to bring China into the World Trade Organization (WTO) in the early 2000s, there were widespread assumptions that containing China through integration was the path to a future Chinese democracy. While Pres. Barack Obama's pivot to Asia was certainly a recognition of the potential threat of China, this was largely military-focused and even then resources were not fully matched to the stated policy. Although it has taken several years for the United States to appreciate China as a rising economic threat, a coherent policy to address this rise has not yet surfaced. Developing a long-term policy is complicated by oscillations in the United States' commitment to economic relationships with strategic partners, particularly the importance the United States places on multinational trade agreements. The Trump administration's withdrawal from the Trans-Pacific Partnership (TPP) postured the BRI as the only available option in the region as it promises infrastructure, trade, and investment linkages—at least on the surface.<sup>63</sup> Pres. Donald Trump's bilateral commitments and his explicit narrative to provide “an incentive for our trading partners to diversify, look for their way, have conversations and negotiations in which we will not be participants” left an economic vacuum that China was more than willing to fill.<sup>64</sup> The perceived US absence of a regional vision left many ASEAN countries concerned about long-term abandonment.<sup>65</sup> As no single country can manage the international system, it was unlikely that bilateral trade agreements would ever be capable of keeping pace with the rapid increase in Chinese influence in the region. This is especially true considering China's continual disregard for international norms, ensuring the playing field becomes more uneven as time passes.

To move forward, it is time the United States recognizes that a deliberate geo-economic strategy is necessary. Grand strategies since the early 1990s focused on combatting the worst-case scenario militarily but never truly reflected the civil side of competition.<sup>66</sup> At the same time, particularly recently, the United States has not prioritized strategic partnerships to harness the economic potential of like-minded partners. China has also been much more successful in using information in strategic regions and within its own borders to perpetuate its preferred narrative. While the CCP has never let morals or ethics get in the way of behavior, it has also never been able to rely on legitimate allies. The United States, unlike China, has partners and allies it can rely on that can collectively build powerful and meaningful alternatives to the BRI. These partners' collective capacity to generate effective outcomes represents the United States' essential asymmetric advantage over China.

### **Exposing Vulnerabilities and Finding Opportunities**

Lofty ambitions come with increased risk, which is true for China as the BRI has exposed and created many potential vulnerabilities. These vulnerabilities start with China's narrative, which strongly publicizes the BRI as an economically open win-win for all participants. However, at the core of the BRI proposal, it is an initiative led by China, dictated by China, dominated by Chinese investment, and tied to the Chinese standard.<sup>67</sup> Developing countries have acknowledged the realization of these circumstances by expressing public concern over China's reach. They find themselves directly competing in many sectors China is now exporting through the BRI.<sup>68</sup> Malaysia, for example, is leading the regional charge to push back against certain BRI investments originating under unfavorable terms and is actively seeking alternative investments from other partners such as Japan.<sup>69</sup> Even as recently as December 2021, protests in Pakistan have questioned the value of CPEC and the lopsided benefits provided to China over Pakistan. As deep-sea trawlers run by the Chinese have pushed out the Baloch fisherman, the primary means of the local economy, there is widespread concern over the long-term viability of CPEC as it has yet to show any tangible benefits to a frustrated local population.<sup>70</sup>

Additionally, some governments cannot thoroughly vet and assess Chinese contracts for debt repayment or lifecycle costs, and many often have insufficient human resources to oversee BRI projects.<sup>71</sup> The United States and its partners must capitalize on this disillusionment fanned by "mounting debt, erosion of sovereignty, and uneven benefits associated with Chinese infrastructure projects" with many countries searching for or awaiting another economic alternative.<sup>72</sup> The role of information is critical and an extensive coordinated campaign to fully

publicize and share the actual intangible costs that have come to represent some of the significant BRI projects may serve as leverage for swaying states from bilateral partnerships with China.

There is reason to suspect that the BRI has not fully manifested itself in the way the CCP envisioned at its inception. A potential indicator is that China committed to almost \$1 trillion in investments and loans but had only paid out \$50 billion as of 2018.<sup>73</sup> Should China not follow through with these commitments, there is further potential that those countries expecting future investment will look elsewhere based on China's unreliability. Furthermore, while China focuses its attention outward, it also has significant domestic issues such as environmental degradation, income inequality, and maintaining CCP legitimacy in an era of widespread information sharing.<sup>74</sup> If China addresses these expensive domestic issues as well, it may find it challenging to resource its foreign policy initiatives fully.

If the BRI has proven anything to the broader international community, it is that the economic domain is not zero-sum. There is always an opportunity to create value, but for regions with widespread poverty, inequality, and poor infrastructure, no single nation, be it the United States or China, can be expected or willing to fill that void. However, aid and foreign direct investment provide opportunities. The Asian Development Bank identified a need for \$26 trillion in infrastructure investment in Asia from 2016 to 2030, a value barely addressed by the BRI, and most definitely exposes a continued need regardless of participation in the BRI.<sup>75</sup>

There is no single solution to addressing the BRI, and given its widespread popularity, developing a policy that recognizes the BRI's place in the international system is logical. However, there is plenty of room to maneuver for the United States and its allies. This maneuver space exists within the LIO, and there are adamant opportunities for effective US policies and collective multilateral efforts. These efforts should emphasize developing a cohesive international response, not to block the BRI but to provide high-quality, competitive alternatives that meet international needs. At the same time, as the current global hegemon, there are some positions that the United States can unilaterally take that will inhibit the CCP's nefarious activity outside the LIO.

## US Influence and Policy

Geoeconomics is just one domain of GPC, and there are multiple opportunities for the United States to influence this domain. Using information to exploit unfavorable practices is a domain that offers significant potential. First, the United States can help fund the means for more expansive investigative journalism in BRI countries. The goal would be to enable greater domestic capacity for raising

awareness of China's lending practices, the environmental and economic sustainability of BRI projects, and the resulting forced displacement of any domestic populations impacted by the projects.<sup>76</sup> While some governments and populations will be more amenable to this information, it sets conditions for debate if it does not already exist within a BRI country.

Additionally, through the WTO and other monetary institutions, the United States can advocate for increased international pressure on Beijing and countries that trade directly with China to fully understand their supply chain. Knowing if violations occur regarding human rights and labor laws in connection with goods and services originating in China may pressure the governments of participating countries to seek alternatives. There certainly would be a domestic impact on the United States, but placing public pressure on US corporations that abdicate to China's labor force may force changes here in the homeland. The free market allows the US population to hold its corporations accountable, and exposing corporate greed in the pursuit of shareholder profits at the cost of labor law violations may force US corporations to rethink their China strategy.

Washington must develop a strategy that allows the United States to better compete in foreign markets instead of working on the bilateral trade imbalance currently shared with China. While China has sought economic opportunities, the United States focused on other issues in the Indo-Pacific. Specifically, the United States used its influence to enforce environmental policies, women's rights, child-labor regulations, democracy promotion, and anticorruption measures.<sup>77</sup> These are all credible issues to address, but movement on these topics will not compete with China. Instead, the United States needs to use diplomatic and economic influence to address chronic poverty in Asia through investment in physical infrastructure that bolsters and creates manufacturing and industry sectors. The United States must take advantage of existing bilateral relationships to promote development through its private sector in the short term. In doing so, it can maintain influence and presence in strategic locations while offering a non-state-sponsored alternative. Congress should coordinate tax incentives for participating corporations in countries designated as strategic priorities.<sup>78</sup> To facilitate this, US embassies must fully employ the information instrument of power by highlighting the poor quality, sustainability risks, and lack of transparency to BRI projects while advertising willing US corporations.<sup>79</sup> This global campaign is critical and must be a primary talking point by US embassies and encouraged domestically by the federal government. It does not require new institutions or appropriated funding and capitalizes on existing capabilities.

Federally-funded research and development (R&D) must become a greater strategic priority, particularly within the science, technology, engineering, and math

(STEM) sectors. China uses the BRI to enhance its STEM-heavy Made in China 2025 initiative; therefore, emphasis on retaining US-educated foreign STEM experts should be an intentional effort. These efforts could offset any comparative advantage provided by Made in China 2025 and more aggressively promote US preeminence in certain technology sectors. A targeted STEM R&D program ensures some mechanisms are in place so the United States does not find itself in the position of offering equal or inferior products while demanding higher standards.<sup>80</sup> A critical sector is the future 6G environment. The United States abdicated its leadership role in the race for 5G standards despite 5G's applicability in artificial intelligence, automated vehicles, and other emerging technologies.<sup>81</sup> China invested \$180 billion to secure dominance in the 5G arena, and a similar US investment in universities and labs will be necessary in the race for 6G, which will likely be replacing 5G in the next 15 years.<sup>82</sup> As the BRI expands, China will set many technical standards with its 5G equipment, and to compete in the long-term, the United States must lead the definition of technical standards with 6G.

The United States must fully exercise its leadership role in the global economic institutions it has influence over, notably the World Bank, IMF, and WTO. The World Bank remains the best existing global alternative to the BRI. Washington can leverage US influence to ensure these economic institutions' credibility and employ necessary reforms that lead to strategic investments that benefit the developing world. These institutions also can provide a credible international voice for exposing Chinese corruption and general monetary violations of the LIO. Additionally, US admission to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership will signify the agreement's commitment as an alternative to China's trade in the region and a formal means to shape trade policy in a critical region consistent with the LIO.<sup>83</sup> It also provides tariff preferences, binding commitments on market access, digital trade, intellectual property protections, restrictions on SOEs, and requirements for adopting agreed-upon labor and environmental commitments internationally.<sup>84</sup> Many, if not all of these standards are well beyond the CCP's current ability or interest level.<sup>85</sup> By recommitting to the TPP, the United States will establish a more comprehensive economic presence in a critical region that perceived a US absence during the Trump administration.

### **Multilateral Economic Options**

Fortunately, several countries that have already adopted the rules-based order have similar concerns as the United States, making the prospects of multilateral agreements very promising as a means for offering BRI alternatives. Effective multilateral efforts require a coordinated narrative representing the Western world's vision versus the Chinese misinformation campaign. This narrative must

demonstrate the truths regarding choices, upholding sovereignty, investment with guaranteed long-term value versus debt-trap diplomacy, surveillance cities, corruption, and China's questionable follow-through.<sup>86</sup> These agreements represent a renewed focus on the formal and informal role of strategic partnerships. The essential underpinnings of any multilateral agreement are that their conditions will be more favorable than the Chinese alternative. While there are impediments to establishing a common narrative, particularly within the EU, establishing a joint approach with EU partners will help add stability to an organization lacking cohesion. Germany has already called for a "one Europe approach to China," and the United States must use its influence to reinforce its establishment, aiming to align these like narratives.<sup>87</sup>

US support and representation in the Quadrilateral Security Dialogue (Quad) has numerous possibilities for Japan, India, Australia, and the United States. The Quad shares many traditional positions related to the free and open Indo-Pacific and respects the LIO as defined by sovereignty, freedom of navigation, and open markets.<sup>88</sup> This partnership has specific utility for the United States by offering a broader forum for Japan's already established Indo-Pacific strategy and India's Act East policy, which already conducts foreign infrastructure investment.<sup>89</sup> Translating these partnerships into broader formal structures that represent the coordinated goals of like-minded states, unified in economic policies that empower and enhance the capacity of the developing world, can be the cornerstone of a multilateral geoeconomic response.<sup>90</sup> Creating viable infrastructure for the developing world can be better coordinated and strategically targeted through these like-minded relationships. Building quality infrastructure aimed at manufacturing, providing foreign aid for required training, and assistance with understanding the viability of BRI loans are unique means for restoring geoeconomic competition against China. Geopolitically, these efforts provide alternatives to China, expose the reality of China's strategic goals, and educate the developing world before accepting unfavorable loan conditions. It allows the United States to leverage the optics of more popular partners such as Japan, which has a more favorable reputation in the region than either the United States or China. For example, a renewed emphasis on the agreement between the US-led Overseas Private Infrastructure Corporation and its Japanese counterpart, the Japan Bank for International Cooperation, would better establish a US long-term commitment in the region. As a means for offering high-quality infrastructure investment in the Indo-Pacific region, this agreement capitalizes on widespread Japanese popularity, which is growing given the \$260 billion Japan had invested in Asia versus China's \$58 billion as of 2020.<sup>91</sup>

The secondary objective of any coordinated effort should be to shift the global supply chain out of China. The development of infrastructure is a means for achieving this goal. The BRI is attempting to harness China's power as the world's labor force. While it does not have to be shifted to the United States, creating capacity outside of China should be the objective of any multilateral partnership. The COVID-19 pandemic has exposed the substantial overreliance on the Chinese supply chain to the free world.<sup>92</sup> Much of the international reliance on China has hinged upon the lower labor costs, existing skilled labor, and established mass production facilities.<sup>93</sup> However, labor costs in China are no longer low relative to other international skilled labor forces.<sup>94</sup> All three of these have the potential to be resolved with dedicated multinational programs that fund mass-manufacturing facilities in targeted countries and provide training to local populations. There should be no false hope that this will be cheap or that the end state will no longer have substantial manufacturing labor coming from China. Particularly with tech industries, the training alone will be costly, but this concept builds on itself and will set conditions that attract more industry over time.

To fully realize this, multiple countries will have to make their own unique decisions regarding their corporations that have chosen to move their business to China. For example, the United States could offer tax incentives, temporary relaxation of antitrust laws, and even develop federal programs to finance worker training and relocation expenses.<sup>95</sup> Japan and Germany have already instituted formal subsidy programs to either return corporations to their countries or implement legislation that permits state-sponsored investment that prevents foreign influence from pulling companies away.<sup>96</sup>

## **Conclusion**

No single multilateral organization or multinational agreement will be the silver bullet to the BRI. However, the collective impact and influence of US-led multinational agreements that focus on infrastructure development that creates manufacturing and supply chain capacity serve as a powerful mechanism for providing a global alternative to the BRI. While the intent is not and should not be to eliminate international sources of wealth based on free trade and open markets, the net effect should be on creating capacity and wealth accumulation in the developing world that is not conditions-based. Providing incentives for large corporations to leave China is up to individual governments. Although, bringing corporations out of China and back home will decrease the risks associated with forced technology transfer that China has been known for and upholds the rules-based order values.

If the United States does not show resolve against the BRI, the wider international community will have no choice but to question how the United States perceives its role as an economic power. Restoring US leadership on a global scale while providing alternatives for partners and allies to support the developing world to fully capitalize off the benefits of globalization is the vision that widespread multilateral agreements provide. ✪

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