

The Geopolitical Implications of the Belt and Road Initiative: A Case Study Approach

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KEYWORDS

BRI, Geopolitical, infrastructure, economic, political implications, China..

ABSTRACT

The purpose of the article is to examine the geopolitical implications of the Belt and Road Initiative (BRI) adopting a case study approach. BRI is an ambitious global infrastructure project that aims to connect Asian countries and China with countries in Europe and Africa. The project was adopted by China in 2013 and has since become the centre of attention for scholars and policymakers. China's rise as an economic powerhouse and the BRI challenge the current geopolitical order of the world dominated by the USA. Hence, understanding the geopolitical implications of the project would provide a better idea of the current world order. This article has aimed to achieve that by adopting a qualitative approach that utilizing information published in scholarly journals and top institutions. The analysis of case studies and examination of the geopolitical implications found that BRI did not have a uniform impact on all nations. Some nations witnessed rapid development in infrastructure with BRI while others accumulated large amount of debts, leading to an economic crisis..

1. INTRODUCTION

China's rise in the last decade has challenged the existing political and economic order of the world. China's rise has led to experts believing that the US-led unipolar world is ending and there is a shift in the balance of power. The trade war between the US and China that started in July 2018 with President Donald Trump imposing tariffs on Chinese goods (Bicker, 2025) is one prominent example of this global shift towards a bipolar world with Chinese-led economic alliances. In this context, China has planned the execution of the biggest infrastructure project in the history of mankind, the Belt and Road Initiative (BRI), grabbing significant interest and scrutiny from the international community. The "Belt and Road Initiative (BRI)" is an ambitious infrastructure project unveiled by Chinese President Xi Jinping in 2013 that connects Asia with Europe and Africa through land and waterways (Richardson, 2021). The BRI initiative aims at promoting regional and strategic development and cooperation, benefitting the countries and China.

The origins of BRI can be traced to the Silk Road, the name given to the route connecting China with Central Asia, Western Asia and Europe in the 2nd century AC. The BRI project is a reflection of China's economic prowess and its desire to have an equal place in this new multipolar world. As of 2023, a total of 150 countries across the globe have joined the BRI (Textor, 2024) and the BRI spending has surpassed \$1 trillion (WEF, 2023). The financial institutions providing funds and loans to the BRI projects are "Afro-Asian Economic Council (AAEC), Asian Infrastructure Investment Bank (AIIB), China-CEE Fund, China Investment Cooperation (CIC), China Development Bank (CDB), China-Eurasian Economic Cooperation Fund (CEF), Export-Import Bank of China (EXIM), New Development Bank (NDB), Russia-China Investment Fund (RCIF), Silk Road Fund (SRF), and State Administration of Foreign Exchange (SAFE)" (Hoque & Tama, 2020). This ambitious project has grabbed gigantic attention and studied by scholars across the globe from different perspectives.

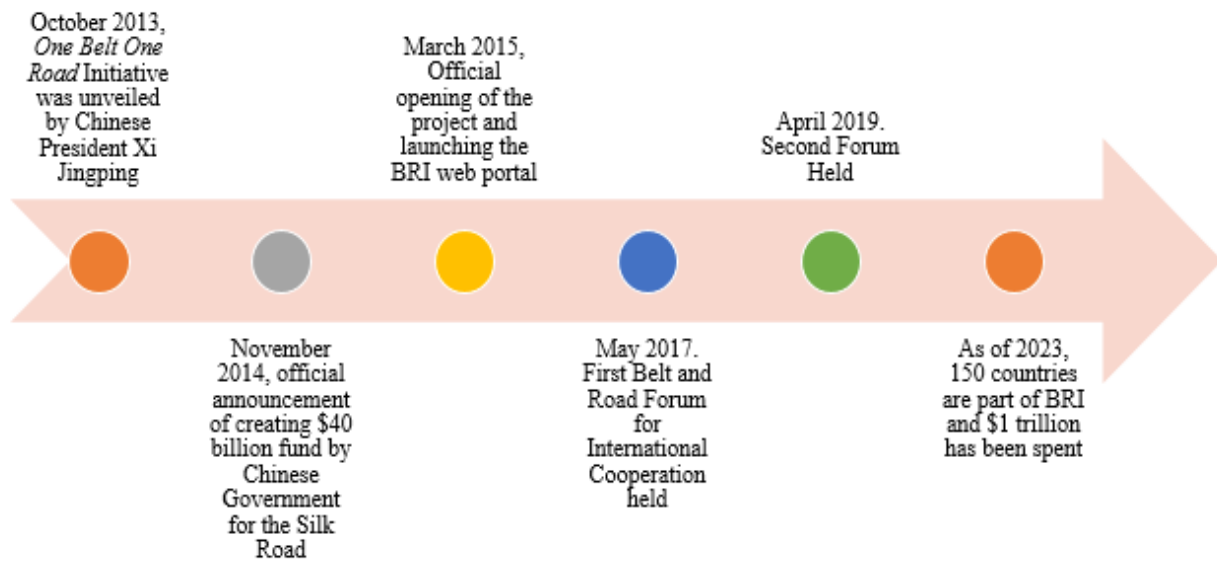


Figure 1: Overview of BRI

(Source: Developed by author using information from Hoque & Tama, 2020; Richardson, 2021; Textor, 2024)

Hence, understanding the geo-political implications would lead to a comprehensive understanding of the project. With growing Chinese investments and the return of Donald Trump as US President in 2025, this article provides a fresh perspective on BRI's geopolitical implications in regards to concurrent global development.

2. LITERATURE REVIEW

2.1 Past studies

BRI has been considered a significant geopolitical strategy of China with the aim to improve global trade and infrastructure connectivity. BRI is a tool for China to challenge the dominance of the USA and expand its influence in East and South-East Asia and potentially transforming global political dynamics (Flint & Zhu, 2019; Li, 2020). Flint & Zhu (2019) argue that BRI will change the political dynamics at multiple levels while creating greater possibilities for both cooperation and conflicts. Hoque & Tama (2020) mention that BRI is a threat to the global dominance of the USA, creating more global cooperation under the Chinese leadership. A research focusing on the geopolitical implications of BRI in Middle East carried out by Kamel (2018) found that some countries are going to benefit more from the project than others with Iran likely to benefit the most. Li (2020) argue that BRI will significantly transform the security policy of China while intensifying its security competition with major powers in the Indo-Pacific region. On the other hand, Zhang (2023) mentions that BRI strengthens the relationship between China and the participating nations, impacting the international political framework and influencing global economic landscape.

2.2 Theoretical underpinnings

The theoretical perspectives that can be used for the geopolitical implications of BRI are realism and liberalism. Realism regarding international politics states that the actions of nations are generally motivated by self-interest and national interest (Tsygankov et al. 2022). The BRI is a similar action which aims to increase the influence of China at the global level while countering the dominance of the USA. BRI is both in the self-interest of China where it will help it exhort its dominance at the global level as well as national interest since it will contribute to economic development through better trade. Apart from that, liberalism states that the results of economic cooperation are mutually beneficial while reducing the chances of conflicts (Singh, 2019). The goal of BRI to improve connectivity through infrastructure development can be seen as economic cooperation that will have mutual benefits to the partnering nations. Hence, both these theories provide a nuanced understanding of BRI's geopolitical implications.

2.3 Research gap

Existing studies have discussed the geopolitical implications at the broader level and do not include case-specific examples of specific regions to provide a better understanding. It is necessary to compare different regions to understand whether the implications of BRI are uniform or not. This particular research addresses this gap by selecting specific cases related to BRI to further build the understanding of the project.

3. METHODOLOGY



A qualitative case study approach has been taken to examine the geopolitical implications of the BRI. There are three specific criteria based on which the case studies have been selected and they are- (i) geographical diversity- cases from diverse regions, (ii) economic and political impact- regions that have witnessed policy shifts and economic transformation because of BRI and (iii) geopolitical significance- regions that are integral to the BRI infrastructure. Based on these criteria, three specific cases have been selected to understand the geopolitical implications. Data for this has been collected from peer-reviewed journals, government reports, online articles published by top media houses and policy reports. Content analysis of the collected qualitative data has been done to examine the geopolitical implications of BRI.

4. FINDINGS

4.1 Case studies

A. Case Study 1: Sri Lanka

Sri Lanka is a significant beneficiary of the BRI project of China among 150 other countries fostering trade. Sri Lanka has experienced infrastructural growth by participating in this initiative. Beijing has provided loans for the "Colombo Port Terminal project" and "Hambantota Port", Sri Lanka's first four-lane-highway project, as well as military equipment and others (Aryal, 2022). However, some of these major projects such as "Hambantota Port" and "Matala Rajapaksha International Airports" did not perform as projected which led the Sri Lankan government to accumulate an external debt of around \$45 billion in total of which China owns \$8 billion at least (Aryal, 2022). Sri Lanka had to hand over "Hambantota Port" to China for a 99-year lease as part of a "USD1.1 billion debt repayment deal" (Xu & Chen, 2019). Moreover, security and independence issues, corruption, transparency, autonomy-related issues and geopolitical repercussions for the country increased due to BRI. Several news articles from the government show that livelihood and environmental degradation are the common norms with BRI initiatives (Ruwanpura et al. 2020). China partners with Sri Lanka regarding BRI projects without little consideration for local inputs which becomes a significant issue for such projects (Ruwanpura et al. 2020).

B. Case Study 2: Central Asia

Around 34 countries from Central Asia and Europe combined have joined the BRI of China for better connectivity for trade and infrastructural development as shown in the diagram below. The "Silk Road Economic Belt" connected Europe with China through Central Asia which increased the prospect of trade between these regions (Textor, 2024). Local regions in Central Asia consider BRI as a promising initiative facilitating economic and social growth, providing alternatives for effective international cooperation through "increased connectivity", "regional trade" and "modernisation of obsolete transport infrastructure" (Danilovich, 2018, Nurgozhayeva, 2020). BRI agenda has been actively promoted by political elites proposing that it must be conjugated with regional development plans to bring the best results. Through BRI projects China gained a significant influence over Central Asia. Moreover, Central Asian regions gained a great amount of Chinese investments to enhance regional economies and infrastructures (Indeo, 2018). BRI has a strong hold over the economic evolution, security and foreign policy of this region. However, the success of BRI is region-specific as this initiative often becomes a threat to national security.

C. Case Study 3: Eastern Europe

The de-securitised narrative of BRI helped China build its soft power, thus improving its engagement in Central Europe. Most of the Eastern European nations consider China's investments through BRI projects as revitalization opportunities for their economies even though some of the EU countries such as Germany and France are highly critical of such investments and China's involvement in the region (Jakimów, 2019). Some countries in the region have accused China of adopting a "divisive chequebook diplomacy" and undertaking an "authoritarian advance" (Jakimów, 2019, p.370). For the Eastern European nations, the "de-securitised narrative" of BRI focused on cultural exchanges, and national developments creating mutually beneficial relations which further helped develop a benign and friendly portrayal of China's intentions with the regions (Jakimów, 2019). However, some inconsistencies in China's stance and policies related to BRI have been noted which questions Chinese involvement in the connectivity and infrastructure development projects through BRI in Eastern Europe.

4.2 Geopolitical Implications of BRI

A. Economic Implications

As implied in the below diagram, China has invested nearly \$60 billion in various sectors through BRI projects (Armstrong, 2023). Recent reports show that it created \$1.01 trillion worth of investment and construction projects in 148 nations all over the world (Armstrong, 2023). These investments helped modernise infrastructure and transportation facilities enhancing connectivity for better trade prospects across the world. This is supposed to reduce transportation costs and time for efficient international trade. However, the development of transportation infrastructure through such initiatives has a different impact on different regional economies and their performances. China, West and Central Asian nations experienced distinct growth in terms of economic welfare, employment and GDP (Chen & Li, 2021). However, investment in West and Central Europe is comparatively low. Several countries such as Sri Lanka, Pakistan and others went into debt due to unprofitable investment

suggesting that the economic growth facilitated by BRI is irregular and region-specific.

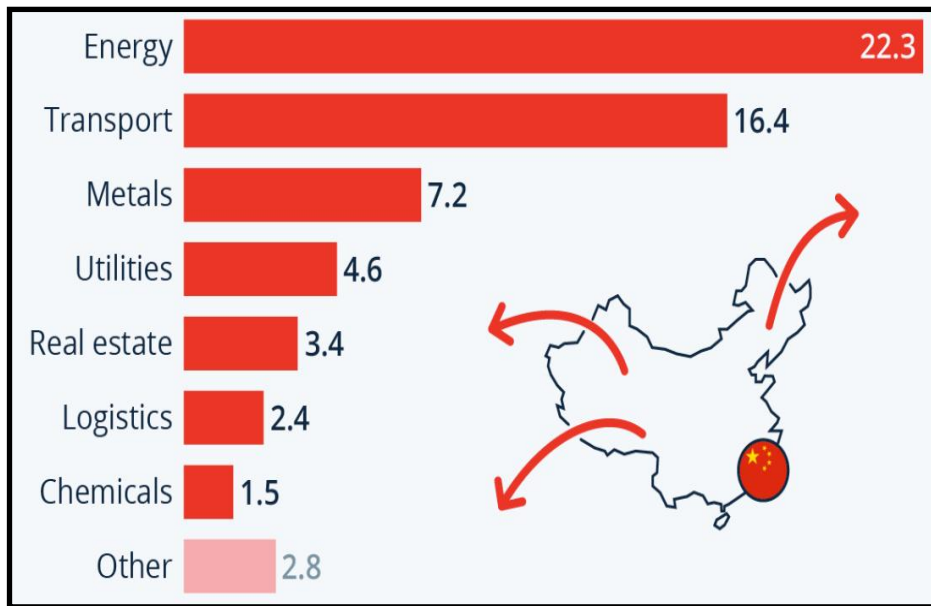


Figure 2: Total Investment of China in BRI Projects

(Source: Armstrong, 2023)

B. Political Implications

BRI provided China with the necessary scope to gain better political relevance in the modern world order. BRI has been one of the most ambitious initiatives proposed by China which facilitated several transcontinental and regional projects helping the nation emerge as a major global power further showing the diminishing influence of the West over global politics and economy. Even though Chinese engagement in global affairs has been accepted and welcomed by various nations, the escalating discrepancy in "Chinese political discourse" along with increasing inflexibility and assertiveness makes several countries uncomfortable with Chinese policies (Parepa, 2020). It is further noted that since BRI provides financial gain and economic growth to beneficiary nations, these nations are better incentivised to avoid political tension to jeopardise such advantageous economic exchanges (Lu et al. 2021). Domestic policies in host countries therefore are formed to accommodate the benefits of such initiatives. Thus, support for cordial political and diplomatic relations is enhanced among nations through BRI.

C. Security Implications

Social and political instability has increased due to the increased debt burden related to BRI projects in several regions. Especially after the Pandemic in 2020 majority of the BRI countries are facing challenges in repaying Chinese debts adding to their pre-pandemic debt burdens (Narins & Agnew, 2022). This poses not only financial security-related risks for such countries, rather they face political security risks as well. For example, Sri Lanka had to give a 70% equity share of the "Hambantota Port" to China on a lease for 99 years which led Chinese governments to use the port as a strategic location for political as well as economic gains. This helped China to gain an advantage in the Indian Ocean region (Herath, 2019). Moreover, environmental concerns related to the projects, transparency concerns and social displacements due to infrastructure development in the host countries increase security-related risks for such projects

5. DISCUSSION

A. Synthesis of Findings

Analysis of the case studies shows that there are several positive as well as negative aspects of BRI projects, especially for the host countries. Several nations, especially Central Asian regions have experienced significant development in transportation infrastructure which led to economic growth in such regions (Nurgozhayeva, 2020). Regional economies experienced a significant boost through Chinese investments (Indeo, 2018). However, several countries in the Eastern European regions are highly apprehensive of China's involvement and influence over the regional economies in Europe (Jakimów, 2019, Parepa, 2020). Countries such as Sri Lanka have accumulated an extensive amount of external debt by participating in BRI (Aryal, 2022). All these factors show that the implications of BRI have not been uniform among all beneficiary countries. However, the regions that experienced economic growth would supposedly pacify political tensions to experience continued growth.



B. Policy Recommendations

Policy makers can focus on developing a comprehensive governance framework as it is essential to effectively implement BRI projects transparently with ensured benefits. Governments of every region are needed to enhance accountability and transparency related to BRI projects along with maintaining environmental sustainability and economic feasibility (Huang & Li, 2024). Moreover, the requirements of each region are highly distinct. Therefore, policy-makers must critically analyse these specific needs and address these in project planning and implementation. Additionally, incorporating inputs from the local representatives and government bodies would enhance the possibility of success for these projects. Developing policy frameworks based on these principles would ensure that BRI projects are profitable for host countries helping such countries avoid accumulation of extensive external debts.

6. CONCLUSION

The case study approach provided key insights on the geopolitical implication of BRI. More than a decade since the BRI initiative, there has been significant developments in the process. The countries involved with the project have witnessed better connectivity and infrastructure. However, on the other hand, the BRI initiative also led to economic crisis in countries like Sri Lanka due to high external debt. It can be concluded that the geopolitical implications of BRI are not uniform for all partnering nations with some countries witnessing better development while others accumulating a large amount of debt leading to an economic crisis. Nonetheless, this study still has its limitations since it has explored three case studies related to BRI, to examine the geopolitical implications. This leaves room for future studies that can include all the case studies associated with the project to paint a complete picture of the geopolitical implications of BRI project.

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