Introduction

One Belt One Road (OBOR), also known as the Belt and Road Initiative or the Silk Road Economic Belt, is a comprehensive economic plan developed by China to boost global trade. It currently spans 68 nations, comprising two main parts: an inland “Belt” connecting China to Europe by land, as well as a maritime “Road” connecting China to Africa by sea. The “Belt” is further subdivided into six main economic corridors.

![Figure 1: Map of OBOR Initiatives](image)

OBOR functions through two primary methods. The first method is through the construction of infrastructure. Such infrastructure is varied in nature and located all across OBOR, ranging from the construction of a high-speed railway connecting China with Singapore, to the construction of port facilities in Djibouti. The capital needed for such construction is supplied by Chinese investors, either directly from the government, through state-owned
enterprises, or by private corporations. Sometimes, such capital may also be illicit in nature. This infrastructure can be used to transport goods to new markets and increase trade, hence fuelling economic growth.

The second method through which OBOR functions is the unification of financial systems. OBOR will establish financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank, along with building a currency stability system, investment and financing system, and credit information system in Asia. Consistent financial systems can increase economic growth by minimising the amount of regulations companies need to abide by, allowing them to refine their policies to be as efficient as possible.

It is hoped that through the establishment of the OBOR, both China, and the nations it links through the OBOR, will benefit not just in terms of economic growth, but also through the fostering of mutual trust, cultural connection, platforms for cooperation, and long term partnership.

Investment in the OBOR could total up to $6 trillion United States Dollars (USD) at maturity, underscoring not just the resources poured into the project, but also its unparalleled potential as an engine of economic growth. For it to achieve its full potential, however, the problems currently plaguing it must be resolved. Such problems create both doubt about the feasibility of the project, as well as scepticism about the true nature of Chinese intentions.

**Definition of Key Terms**

**Asian Infrastructure Investment Bank (AIIB)**
The AIIB is a Chinese funded bank and the primary economic organ of OBOR. The loans and subsidies it provides help to construct OBOR projects that would otherwise be unaffordable to countries, hence ensuring the feasibility of OBOR. It is also in charge of implementing OBOR’s financial system.

**Development Banks**
Development banks are financial institutions set up by a more developed country to finance development projects in developing countries and their emerging markets. OBOR uses such development banks like the AIIB to finance OBOR activity.

**Economic Corridors**
Economic corridors are areas of OBOR where there are plans for large amounts of infrastructure to be concentrated around. There are six economic corridors in total, serving the purpose of connecting China to Europe and Southeast Asia. These economic corridors comprise the New Eurasian Land Bridge, the China-Mongolia-Russia Economic Corridor (CMREC), the China-Pakistan Economic Corridor (CPEC), the China-Central and Western Asia Economic Corridor, the China-Indochina Peninsula Economic Corridor, and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC). Such economic corridors are major sites for OBOR activities, and countries located along these corridors are the countries which stand to benefit from OBOR the most.

Figure 2: Map of OBOR Economic Corridors

Imperialism

Imperialism is the policy of trying to gain influence and control over other countries. OBOR has been criticised as being such a policy due to how it gives China and Chinese companies great access to other countries.

Background Information

OBOR’s mechanisms, aims, and aspirations alone do not provide a comprehensive understanding of the topic. To fully understand OBOR, it is imperative to be aware of the problems it has both in principle and its implementation. Such challenges include economic and colonial imperialism, facilitation of criminal activity, labour issues, domestic challenges with
regards to human rights and security, the underbenefitting of rural areas, and finally, the environmental damage OBOR might cause.

Economic and colonial imperialism

OBOR has been observed to bear striking resemblance to past routes used by colonial powers to seize control and exploit local populations. Similarities between OBOR and previous British colonial trade routes to India, as well as a resemblance between a Southeast Asian highway and the Death Railroad has been observed as speculation of Chinese colonial intentions. While China, truthfully or not, denies that it proposed OBOR only to establish an overseas empire, it is undeniable that OBOR has indeed increased China’s economic and political influence over the countries OBOR connects.

This is because OBOR contains a significant soft power aspect, and potentially serves as a means for China to expand her influence on neighbouring countries by making them reliant on economic ties with China. Known as economic imperialism, it limits the sovereignty and territorial integrity of countries due to excess Chinese economic influence. China can leverage this economic domination to interfere in the affairs of such states, which will be reluctant to oppose China due to the major role China plays in their economy. When carried to its most extreme extent, this makes them little more than vassal states or colonies of China. Hence, OBOR carries a major risk of economic imperialism, particularly to Least Developed Countries (LDCs), which have little economic ties with other nations, making them almost wholly reliant on China.

For example, Sri Lankan debt exceeds $60 billion, with more than 10% stemming from OBOR-related projects financed by the Sri Lankan government and loaned from the Chinese. To resolve its debt crisis, the Sri Lankan government agreed to convert its debt into equity, which led to full Chinese ownership of a large proportion of Sri Lanka’s economy. This makes Sri Lanka dependent on China, and due to this economic dependence, Sri Lanka is prevented from standing up to China.

Even more nefarious is Chinese aid to Africa. Chinese financing there is a tool used to prop up repressive regimes, like those in Sudan and Zimbabwe, so that such states will be stable enough to continue providing China’s oil supply and pursuing a pro-China foreign policy.
Also important is the discovery of a link between United Nations (UN) voting and Chinese assistance. African countries which receive Chinese investment, through OBOR or otherwise, were found to vote in support of China in the UN more of the time. This at best suggests that OBOR does influence the political decisions of states, and at worst suggests that China makes economic aid contingent on political support.

These two examples show the danger of accepting Chinese economic aid, as it potentially results in external interference in a state’s affairs by China, a clear violation of the principle of sovereignty. OBOR is not just a straightforward economic plan which benefits all countries, but is also part of a Chinese geopolitical strategy designed to maximise its own influence. More must be done to ensure that countries can receive economic benefits without having to acquiesce to foreign interference in domestic affairs.

**Facilitation of criminal activity**

OBOR has come under scrutiny for potentially facilitating criminal projects within the region. According to a report released by the United Nations Office on Drugs and Crime (UNODC) in 2016, OBOR poses significant security risks in every area in which it has been implemented, exacerbating already present crime.

The presence of such crime is due to several factors. Most significant of these factors is a policymaking mindset that places profit above security. Projects when being planned, are planned in order to maximise income, and security is an afterthought. Efficient infrastructure, after being built, are not equipped with proper security features, allowing them to be exploited by criminal groups. OBOR has also seen a large focus on railway infrastructure, which is much harder to control for illegal activity as compared to airports and seaports. The final factor is weak cross-border law enforcement. Border patrols, even when they are established, are implemented for the purposes of aiding commerce and not ensuring security.

**Infrastructure**

For example, OBOR infrastructure constructed has facilitated the export of both precursor materials and synthesised drugs from India to the rest of the region. Similarly, the
Association of Southeast Asian Nations (ASEAN) Master Plan on Connectivity recognizes that the Cross-Border Transport Agreement (CBTA), an OBOR initiative, is likely to result in negative criminal impacts such as human trafficking and wildlife trafficking. Due to the increased amount of trade passing through the Bay of Bengal as a result of OBOR, piracy and armed robbery are also on the rise. The increased volume in trade has also made it more difficult for law enforcement to screen all cargo passing through the region. Large amounts of illicit shipping cargo now pass through this region, oftentimes going unchecked. Hence, it can be seen that OBOR’s infrastructure is often unaccompanied by appropriate safety and security measures, resulting in the proliferation of illicit activity. Such illicit activity threatens to undermine the social and economic benefits the rest of OBOR is able to provide.

**Financial institutions**

However, it is not only OBOR’s infrastructure which facilitates OBOR’s activity, but also OBOR’s financial institutions. Concerns about developmental banks established under OBOR, such as the AIIB have emerged, since it is still uncertain what the Chinese government will include as the standards and principles for social and environmental protection.

While the AIIB has stated that it will “not knowingly finance” projects that would involve child labour, trading in illegal wildlife such as ivory, trade or production in weapons and munitions”, the bank is oftentimes unknowingly doing so. Given the sheer breadth of countries involved in the project, and the thousands of projects that simultaneously seek approval for loans, it is unclear whether there are sufficient regulatory protections to prevent the unconscious financing of criminal activity. This is especially dangerous given that many of the countries in which OBOR operates, such as Cambodia, have a history of state-sanctioned illicit activity, whether at the higher levels of the government, or in lower-level law enforcement. Many others are too undeveloped to be able to afford the comprehensive safeguards that tackling organised crime requires.

**Corruption**

Linked is the issue of corruption. Of all the countries linked in OBOR, only Singapore consistently ranks highly in global rankings on transparency. According to Transparency
International’s Corruption Perception Index, Yemen, Cambodia, Myanmar and Syria, all involved in OBOR, are among the world’s most corrupt, due to low pay and poor law enforcement oversight, with Syria ranking 178 out of 180 countries assessed. This is dangerous both to the success of OBOR, as investments are squandered through embezzlement, as well as to local communities, because it is oftentimes local criminal kingpins that are most involved in corrupt practices. This money is then invested into illicit operations, which further exacerbates criminality.

Hence, OBOR’s facilitation of criminal projects is essential to tackle.

Labour

There is a need also to protect labourers involved in OBOR. Labour is often exploited by companies due to lack of oversight. While present across many OBOR countries, particularly those with already weak labour laws and low amounts of government oversight, this problem is particularly pertinent in Africa.

Chinese companies in the African continent frequently exploit their workers and do not comply with local laws. Zambia, for example, experienced an uptick in civil strife after an influx of Chinese companies. In 2012, the country saw protests and even deaths of Chinese mine managers over wages and labour practices. Studies of Chinese firms in the African continent have pointed to the particular problems of low wages, poor job security and lack of work health and safety protections in the manufacturing, construction and mining sectors. A study of Chinese investments conducted by the African Labour Research Network noted trends of tense labour relations, hostile attitudes of Chinese managers towards trade unions, lack of collective bargaining, violations of local labour laws and inferior working conditions and wages at Chinese firms compared with other foreign multinational corporations.

Domestic challenges: security and human rights

China’s plan to establish OBOR is particularly ambitious given its intention to mobilise and exploit the geographical advantages of some of China’s less developed regions that have been neglected by previous economic plans. An example of such a region is Xinjiang province, an arid and underdeveloped area of northwest China where less than 10% of the land is
suitable for human habitation. OBOR aims to leverage Xinjiang into a significant hub for OBOR activities. Given its geographical location in China’s far west, it is ideally placed as a transit location to Central, South and West Asian countries. Similarly, Inner Mongolia has been designated as a link for trade between China and Russia’s Far East, and the Tibet Autonomous Region receives focus in the plan as well.

However, such heavy investment in these underdeveloped areas of China is dangerous. Xinjiang is predominantly Muslim, home to violent separatist movements and extremist groups. Tibet, although less radical, is similarly opposed to Chinese domination. Anti-Chinese attitudes have in the past manifested in the form of direct violent action targeted at OBOR infrastructure and Chinese nationals. For example, the China-Pakistan Economic Corridor enabled the travel of Uyghur militants, and the subsequent execution of two Chinese nationals in Balochistan, Pakistan.

China has responded to such violence against OBOR by increasing the amount of surveillance and state control over disenfranchised Uyghur minorities in Xinjiang, placing them on an even tighter leash in order to avoid future violence. For example, there have been aggressive attempts to assimilate Uyghurs into Han culture through targeted educational and work programs that incentivize the learning of Mandarin and integration into the Chinese state’s vision of modernization. Uyghurs have also been relocated into forced labour camps. As can be seen, the implementation of OBOR has led to security challenges in China’s periphery, and the Chinese state has responded to this with human rights violations, which present another problem.

Rural areas

Although poised to provide corridors through multiple rural areas, OBOR’s economic benefits are still concentrated in cities, widening the class divide. Industrialization is simply not taking place in many countries in the OBOR range, which have large variations in terms of natural and human resources, and in such cases the rural poor often have moved from low productivity farms to become urban poor in equally low productivity informal sector activities. The financial framework also fails to provide for rural development. The AIIB differentiates itself from the Asian Development Bank (ADB) and World Bank by only taking on large-scale
infrastructure projects, such as highways, airports, deep sea ports and large power plants without the rural development features that other funds require.

Environment

Chinese infrastructure construction, especially in ecologically sensitive areas, pose a great threat to local wildlife and my cause habitat loss. The Russia-Mongolia-China integration zone is especially sensitive in this regard. Another newly proposed transportation corridor for the Silk Road Economic Belt, Louguhe-Pokrovka, which envisions a new bridge across the Amur River in Heilongjiang province, would dissect two nature reserves and open for exploitation unique old-growth forests.

In response to significant environmental concerns raised by several studies, the Chinese government has released an ambitious set of plans designed to make OBOR more environmentally friendly. Many of the environmental regulations proposed have proved successful in Western countries, but enforcement continues to remain an issue. With the political culture of routinely breaking environmental laws, including by local authorities, the road to implementing this new ambitious agenda is challenging. Among the core differences with the West’s ecological modernisation remains China’s lack of transparency in the way environmental data is handled and very limited oversight by civil society. Furthermore, unlike the World Bank and other institutions, the AIIB does not ask infrastructure projects to meet environmental standards before a loan is provided. This results in the funding of projects which have great potential to damage the surrounding environments.

Major Countries and Organisations Involved

Central Asian Countries

Many countries in central Asia, like Pakistan, Kyrgyzstan, Turkmenistan, and Turkey, have seen large amounts of Chinese investment ever since the inception of OBOR. Such investment has almost uniformly provided jobs for locals, and led to economic growth. Many of these countries are hence vocal supporters of OBOR. However, they are slowly becoming aware of OBOR’s negative environmental and social impacts. As less economically-developed countries, they also stand to lose to most from the side-effects of economic imperialism that
OBOR potentially brings. Privately, some countries have also began worrying about potential negative consequences for their domestic economies if China starts to export its massive excess capacity, especially in steel, nonferrous metal, building materials, coal and shipbuilding. But even with this awareness, it is doubtful whether such countries will be able to free themselves from Chinese investment, given that it is of the utmost importance to their economy.

People’s Republic of China (PRC)

OBOR, from China’s perspective, is an important framework which should be preserved at all costs. It is important to note that China’s aims should not be dismissed as mere economic imperialism. While that is perhaps an intended side effect, the main aim of OBOR is to fuel China’s economic growth. China’s old model of economic growth focused heavily on exporting labour-intensive manufacturing goods and investing massively in fixed assets. Rather than producing for domestic consumption, they produced for export, relying on a cheap production cost to ensure profitability. This growth model is an increasingly stressed one. Rising labour costs, which have close to tripled between 2008 to 2017, coupled with the high costs of intercontinental transportation of manufactured goods, have cut into the profits of Chinese companies, thereby hindering economic growth. Globally, major buyers of Chinese goods are also diversifying their imports, leading to an overcapacity (production infrastructure that is unused) in industries like steel, coal, and iron, with over 130 million tons of excess steel capacity alone, a problem acknowledged even by the Chinese government. It has responded with a long term plan to attempt to move China up the supply chain, producing higher quality and higher technology goods, and selling such manufactured goods to China’s domestic population. However, large amounts of capital are needed for such a transformation in industry.

Hence, China has resorted to OBOR to boost its economy in the short term. OBOR establishes new markets in areas closer to home, providing Chinese companies new places to sell their goods, which will reduce the overcapacity. It further provides the infrastructure needed to reduce transportation costs. And finally, countries targeted by OBOR are mostly low-income economies, which greater potentials to grow rapidly and become destinations for Chinese exports and outward FDI if proper conditions are put into place. And implementing the proper conditions, whether through the construction of 21st century infrastructure or the development of robust financial systems, is one of the aims of OBOR. OBOR provides a short term shopgap for
China to maintain its economic growth as it transitions into a high-capital, knowledge-intensive industrial base.

**Republic of India**

Indian Prime Minister Narendra Modi used his inauguration speech to condemn OBOR, indicative of a distrust towards OBOR by India as a whole. India’s main gripe with OBOR is the China-Pakistan Economic Corridor, which stands to benefit Pakistan, a state which is India’s historical and cultural enemy. OBOR also enters Pakistani territory that is disputed by India, providing a further reason for Indian opposition.

India is also increasingly suspicious of OBOR’s political aspect, which India regards as threatening its own influence within the region. India has sought to undermine Chinese soft power by countering OBOR’s investments with its own. For example, India pledged 1.25 billion USD in investment to the Philippines for 2018, money that is expected to create more than 100,000 jobs in the country. Similarly, it has funded oil projects in Mongolia, and began a visa-free travel programme with Kazakhstan, both core parts of OBOR that India likewise hopes to gain influence in.

**The United Nations**

The UN has been a staunch advocate of OBOR since its announcement. Many OBOR initiatives advance the Sustainable Development Goals (SDGs) which the UN announced in 2015, particularly those of ending poverty, providing decent work and economic growth, and building industry, innovation and infrastructure. OBOR is seen as vital by the UN in financing efforts to meet these goals in Asia and Africa. For example, in just the first year of the Asian Infrastructure Investment Bank, it lent 1.73 billion US dollars to support sustainable infrastructure, helping progress towards the SDG on climate action. OBOR also provides jobs, reduces poverty, and constructs infrastructure, helping progress towards another three SDGs. This positive attitude towards OBOR is shared even by Antonio Guterres, the Secretary-General of the United Nations, who has praised it in speeches.

**United States of America**
The United States, although once a major player in Asia, has slowly isolated itself under the Trump administration. As the result of an administration with multiple opposing blocs and no clear foreign policy leadership, its foreign policy towards OBOR has been inconsistent at best.

In May 2017, the Trump administration officially recognised OBOR as a positive entity that would lead to economic growth in Asia. However, Defence Secretary Jim Mattis, a cabinet level official, said in October that same year that the US supported India’s opposition to OBOR. Since then, it has not been heavily involved in the issue, an attitude that potentially undermines its own trade interests in Asia, given the collapse of other potential trade partnerships like the Trans-Pacific Partnership (TPP), which would have provided a counterbalance to OBOR in East Asia.

**Timeline of Events**

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<tr>
<th>Date</th>
<th>Description of event</th>
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<tr>
<td>2013</td>
<td>Announcement of OBOR by President Xi Jinping, which begun diplomatic negotiations for the formal implementation of OBOR.</td>
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<tr>
<td>September 2013</td>
<td>Preliminary OBOR discussions with Central Asian and Southeast Asian leaders, which granted permission for the construction of OBOR infrastructure in these countries.</td>
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<tr>
<td>October 2013</td>
<td>Maritime Silk Road initiative proposed for the first time in a speech to Indonesian Parliament, revealing OBOR’s second key domain.</td>
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<tr>
<td>2014</td>
<td>Leading Group for Advancing the Development of One Belt One Road formed, the main Chinese structure tasked with coordinating OBOR activities.</td>
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<tr>
<td>October 2014</td>
<td>AIIB formed, providing funding for OBOR initiatives previously approved, allowing construction to begin on major initiatives.</td>
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November 2014

China contributed 40 billion USD to establish the Silk Road Fund, providing even more funding for such projects.

2015

China announces plans to invest 900 billion USD and develop up to six economic corridors, one of the first long-term indications of the plan’s great scope.

2016

The UN actively begun declaring the importance OBOR to ensure the success of the SDGs, leading to UN backing of the project.

May 2017

Belt and Road Forum for International Cooperation held, bringing together Heads of State of many participating nations to discuss how nations could work together to fully implement OBOR.

Relevant UN Treaties and Events

The UN has not passed any resolutions specifically regarding the issue, mainly due to China’s status as a P5 member in the United Nations Security Council (UNSC) and a regard of OBOR as a regional project.

However the UN has organised some events regarding this issue to facilitate dialogue and conduct policy reviews:

- BRIDGE for Cities (Annual event since 2016)
- Belt and Road Forum for Global Cooperation (14 May 2017)
- High-Level Symposium on the BRI and SDGs (14 June 2018)

Previous Attempts to Solve the Issue

Due to the relative recency of the issue, and its secrecy, no significant attempt has been made to resolve the issue.
Various UN bodies, such as the UNODC and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), have researched regional impacts OBOR is likely to bring, and thereafter proposed policies to mitigate such impacts. Policy proposals by these organisations, along with academic institutions and think tanks, comprise the bulk of previous attempts to resolve OBOR issues.

However, they have failed due a lack Chinese buy-in. Due to the nature of the issue, it is evident that the responsibility for managing much of the OBOR related issues goes to China alone. When China is uncooperative, it is much more difficult for the problem to be resolved. Multiple OBOR projects which have been established to have significant social and environmental impacts have gone ahead. Security measures have not been implemented by China herself, instead being left to partner countries to settle. For example, Pakistan has dispatched soldiers to secure Chinese investment and personnel along the economic corridor. Unrest in many OBOR countries continue to ferment, as does piracy along the Maritime Silk Road. Finally, international clamour over the project has not quietened, with India and the United States still raising concerns about possible economic imperialism.

To resolve these problems, it is necessary to provide incentives for Chinese cooperation, as without Chinese cooperation in implementing policy proposals, all attempts to reach a solution have failed and will continue to fail.

Possible Solutions

The Chinese government has thus far refused to publicly release documents containing all proposed OBOR related plans, hence making it hard for regulation and investigation of questionable practices. Releasing such information to the public would enhance multilateral cooperation, while at the same time enabling greater accountability.

There should also be greater compliance with various UN bodies, like the International Labour Organisation (ILO) or UNESCAP, which will be able to audit OBOR processes to ensure that both labour standards and human rights have been maintained throughout. Such organisations can also serve as non-partisan structures in which OBOR can be debated upon. In such frameworks, countries will be able to more safely voice out complaints, as when done
within a regulated and non-partisan structure the threat of economic retaliation by China decreases. Pressure from such organisations will also provide China an additional incentive to cooperate. And since the nature of the issue is a systemic one, there needs to be substantive changes to the OBOR system. The AIIB requires greater oversight, particularly with regards to labour and environment. If Chinese cooperation cannot be obtained, countries where OBOR projects are situated may have to act unilaterally. Such countries can revoke additional subsidies they provide for OBOR projects, or alternatively use incentives like tax relief for OBOR projects which actually adhere to economic and social standards.

On the security side, frameworks discussing the responsibility for security can be developed. Ideally, a tripartite framework which demarcates specific areas of responsibility for the company, local state, and China can be established, in which it is China’s duty to provide funds to companies, which will construct security features to be manned by employees from the country itself. This allows for the creation of jobs for the local population, while ensuring that the financial burden is not entirely placed upon them. It also grants greater autonomy to the home country in which a project is located, hence reducing the threat of imperialism.

Lastly, to ensure that rural areas share the economic benefits of OBOR, business hubs have to established around significant OBOR infrastructure. Much of OBOR’s infrastructure, like ports, require large amounts of services to maintain. Such services can be developed locally instead of being outsourced to major cities, which give local, often rural, areas greater opportunities to grow. Similar principles apply to key components, like railroads and railway stations, along the more inland OBOR corridors.

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**Appendix:**
