

# China

FoPo and Domestic



# Belt & Road Initiative

- A Chinese initiative to underwrite infrastructure projects across key trade routes in the developing world, leading to key destinations in Europe, Africa, and Asia
- [Official Chinese government website](#)



# Coverage

- \$1.2 - 1.3 trillion investment
- 125 countries
- 70% of world's population
- 75% of world's energy reserves

[Source](#) | [Source](#) | [Source](#) | [Source](#)



# Five Key Projects

[South China Morning Post](#)

# A little history

- Initially called Belt & Road Forum (BARF).
- Called One Belt One Road (OBOR) in 2013. Then the Chinese government decided that “one” word sounded threatening.
- Now it's the Belt & Road Initiative (BRI).

**Why would this be so important to  
China?**

# Undermine American hegemony

- ❖ The US has lost popularity due to its invasions, its constant war on terror, drone strikes, and forceful democracy promotion
- ❖ China brands itself as the “friendly” superpower that gives countries vital infrastructure without interfering in their governments

# Economic Objectives

- ❑ Chinese population is 1.3 billion -- a lot of people to support, and too many to suppress in case of rebellion
- ❑ Only real progress in alleviating poverty, environmental protection and engineering sustainable economic growth in the coming years will allay some people's fears of dictatorship
- ❑ BRI creates a stable global consumer base for Chinese-manufactured goods in the long term
- ❑ BRI creates demand for Chinese steel and cement in the short term

# Military Objectives

- **Global projection of Chinese military power:** roads, ports, and railroads created by BRI can be used to move Chinese troops and station their navy
- **Counteract US security alliances:** China can offer economic incentives & punishments to BRI beneficiaries to induce them to:
  - Support Chinese military assertiveness in the South China Sea and elsewhere
  - Refuse support for US diplomatic or military initiatives

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# Developing Country Debt Trap: A Case Study

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- The Chinese government agreed to loan Sri Lanka money to build a port. Other lenders refused because the project was poorly designed.
  - When Sri Lanka needed more money to correct design flaws, the Chinese government agreed happily.
  - In 2018, it became clear that Sri Lanka could not afford the debt repayments.
  - China agreed to renegotiate the debt payments if Sri Lanka gave them a 99-year lease on the port, which sits on a strategic shipping route.
  - The Sri Lankan government will not be in a position to contradict Chinese military or economic initiatives in the region.
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# China's Own Debt Problem

# China's Debt is over 300% of GDP

- In the next two years, Chinese businesses will owe over \$200 billion to foreign investors
  - Defaults are rising, and if more companies can't pay up, the government may have to intervene
- Corporate/household debt makes up a larger portion of China's debt than other indebted nations (which take on more government debt)
- Since the CCP has a firm grip on the economy, a sudden collapse is unlikely



## Part of a Flagging Economy

- COVID-19 set a downturn into motion that was the largest since the 60s
- However, cracks appeared earlier
  - Around 6% growth in past few quarters, down from double-digit numbers in the noughts
  - Trade war, swine fever, domestic issues

# Domestic Changes

# President for Life'

- Xi Jinping has passed a constitutional amendment that would let him remain president past 2023, for as long as he wants
- Cult of personality not seen since Mao
- Crushing dissent
  - "Xi Jinping Thought" now taught nationwide

# Quelling Opposition

## Domestic Anti-Corruption Campaign

- In the same National Congress session that approved the removal of term limits, an expansion of anti-corruption powers
  - Reminiscent of purges back in the 1900s
  - Targeting lower government officials, generals, and political rivals
- Allows Xi to consolidate power quickly and without dissent
- Absolute ruler

## Hong Kong

- A new national security law passed last month
  - “Vast security apparatus” to crack down on any dissent or crimes (NYT)
- “Takeover of Hong Kong” Jerome Cohen, NYU prof
- Directly against current protests, harsh punishments
  - Last year, Carrie Lam faced backlash and was forced to suspend an extradition bill

# **The Hidden Atrocity**

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# **China is essentially committing genocide against Uighur Muslims**

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- Similar state of surveillance in Xinjiang/XUAR (Xinjiang Uighur Autonomous Region)
  - One million+ Uighur and other ethnic minorities held in detention camps
    - Uighur children sent to re-education “daycares”
  - All talk about the campaign is silenced, journalists not allowed in (similar to Tibet)
  - Forced sterilization and abortions
    - Along with separating families and re-educating children, these practices constitute the UN definition of genocide
  - China denies wrongdoing and refuses to recognize the jurisdiction of international court

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