

COMMENT

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Belt and Road Initiative by no means a debt trap

Proposed by President Xi Jinping in 2013, the Belt and Road Initiative has drawn extensive attention worldwide. After five years, the concept and vision of the initiative have been put into practice, with some already yielding fruits and promoting the building of a new pattern for the coordinated development of China and the world. Perhaps that's why many consider the initiative to be the most important public good provided by China for the world.

As a new platform for international development and cooperation, the initiative facilitates China's engagement with the rest of world while making it possible to establish a more just and reasonable world order that would highlight the importance of Chinese wisdom in building a prosperous future for humankind.

Thanks to the contributions the Belt and Road Initiative has already made to the world economy, the world is paying greater attention to and expects more from the initiative.

**Deepening strategic trust among nations**

The initiative, broadly speaking, aims to deepen strategic mutual trust among the countries along the Silk Road Economic Belt and the 21st Century Maritime Silk Road, and rally international consensus on global and regional issues.

In addition, since the launching of the initiative, the Chinese government has made great efforts to build a community with a shared future for humankind in order to achieve shared growth through cooperation, which has been praised by the international community. Also, with more countries accepting the concept of the initiative, it is gaining more and more partners and prompting some international organizations to laud its mission and aim.

The Belt and Road Initiative promotes win-win cooperation and common development. To this end, the first Belt and Road Forum for International Cooperation held in Beijing in May 2017 fostered the building of a more open and efficient international cooperation platform. And owing to the initiative, China's trade with and investment in the countries along the two routes have grown significantly.

**Vital trade partner of many countries**

Notably, China has become an important trade partner of many countries along the routes. For example, the trade volume of China with countries along the Belt and Road was close to \$1.3 trillion in 2018, up 16.3 percent year-on-year, with exports increasing to \$705 billion and imports rising to \$563 billion.

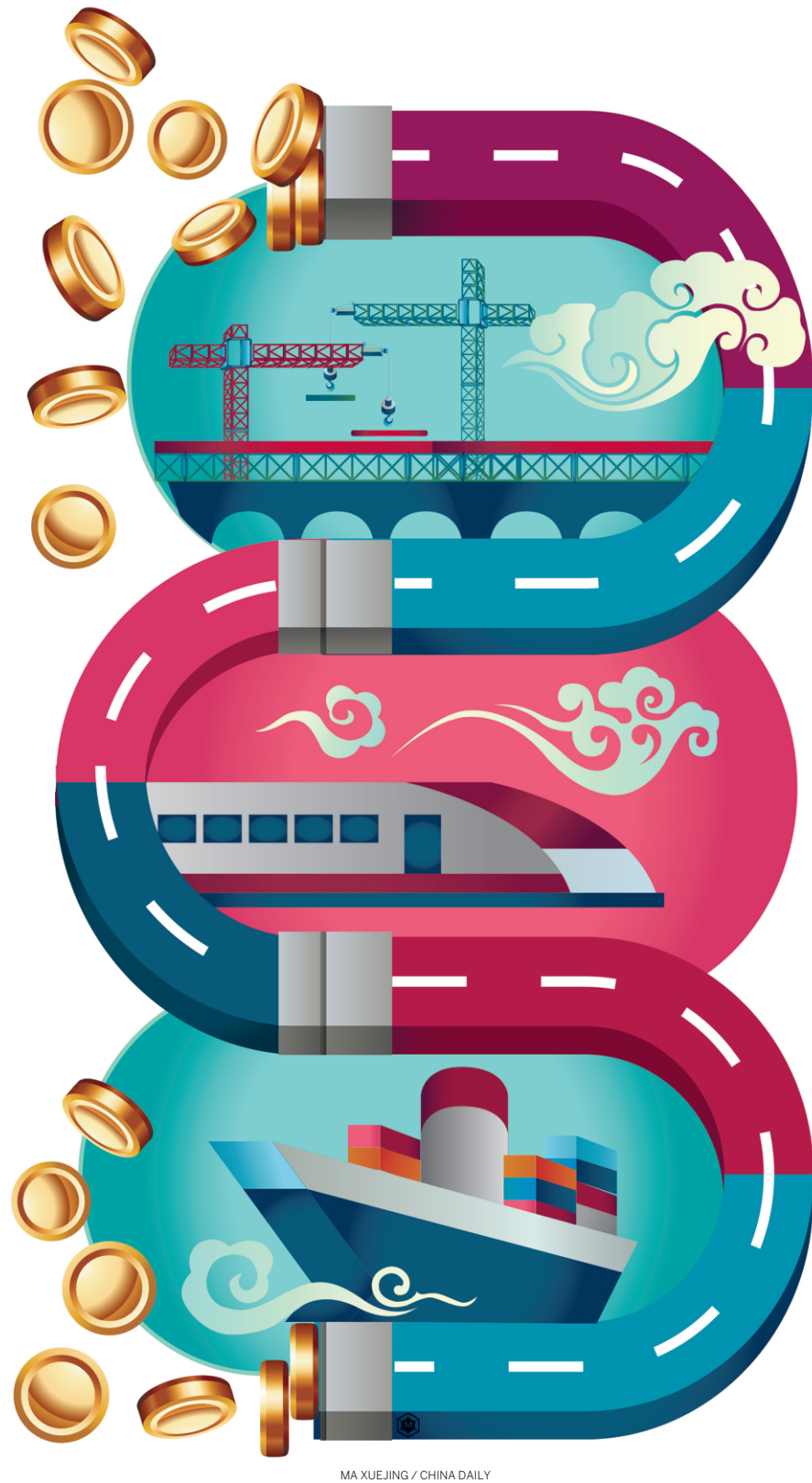
Besides, according to a study conducted by Euler Hermes, a Paris-based credit insurance company, China's trade volume with other countries will increase by \$117 billion this year, with exports increasing by \$56 billion and \$61 billion of commodities imported from about 80 countries being added to the total volume. The study also says the rise in foreign trade will raise the global trade volume and increase growth by 0.3 percent and 0.1 percent, respectively.

The investment environment in China has gradually improved and some Chinese companies with strong competitiveness are using resources on a wider range which in turn will enhance international competitiveness.

Last year, Chinese companies made non-financial direct investment of \$15.64 billion in 56 countries along the Belt and Road, an increase of 8.9 percent, which accounted for 13 percent of China's total non-FDI. The recipient countries included Singapore, Laos, Vietnam, Indonesia, Pakistan, Malaysia, Russia, Cambodia, Thailand and the United Arab Emirates.

**Protectionism makes funding more difficult**

The rapid increase of Chinese investment along the two routes, to some extent, can offset the effects of the withdrawal of capital by the Western states from some of the above countries. But due to the limited scope for investment and economic development in the countries along the Belt and Road, some major economies are unwilling to invest in these areas. And with the rise of trade protectionism and unilateralism in some Western countries, it is becoming more difficult for developing



countries to access funding.

Besides, Chinese investment along the Belt and Road is concentrated in the infrastructure sector because Western countries are reluctant to invest in infrastructure. Incidentally, investment in infrastructure is essen-

tial to push forward the industrialization of developing countries including Pakistan, Sri Lanka and the Philippines. In such countries infrastructure, resource development, and power engineering are crucial for technological progress, foreign exchange and employ-

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**Different natures of investment**

The investment of Chinese companies, State-owned enterprises in particular, are largely different from the investment of profit-driven Western multinational companies. In addition, the Chinese companies also put emphasis on social values and corporate social responsibility, and have the capability to deal with the local communities based on win-win cooperation.

The implementation of the Belt and Road Initiative has brought capital, technologies, market and information to countries along the two routes and advanced common development. Also, the initiative has helped developing countries to participate in economic globalization on an equal basis and realize inclusive growth — which has had a positive impact on the social progress of countries along the routes. Chinese investments have also created innumerable job opportunities and improved public welfare.

Moreover, the countries along the routes can optimize the industrial structure and accelerate the industrialization process so as to more actively participate in the initiative.

**Developing nations need outside capital**

Most of the countries along the routes are developing economies perhaps at the initial stage of industrialization and lack financial services and funding. Which means they are in need of outside capital to develop their economies.

As it is hard for the countries along the routes to acquire loans from Western countries due to financial difficulties and low sovereign credit rating, China has been providing loan assistance for them based on their real economic situation, in order to prevent a new debt crisis from developing.

For those countries seeking huge loans from global financial organizations China is not their largest creditor. For example, according to Central Bank of Sri Lanka's statistics, the loan from the Chinese side accounts for 9.22 percent of its entire volume of preferential foreign debt, whereas its loans from the Asian Development Bank and Japan account for 13.40 percent and 10.74 percent, respectively.

**BRI and countries' debts not related**

More important, the initiative was proposed just five years ago, but the debts of some of the countries along the routes have been piling up for many more years.

Therefore, there is no relation between the debt problems of some countries along the routes and the major BRI construction projects. On the contrary, China's investment in and promotion of the BRI have yielded tangible benefits to the countries along the routes.

Which means the initiative is anything but a debt trap. As to the speculation over a debt trap, vested interests with malicious intentions are spreading canards to drive a wedge between China and other countries.

*The author is a research associate at the National Institute of International Strategy, Chinese Academy of Social Sciences. The views don't necessarily represent those of China Daily.*

**Editor's note:** Ahead of International Women's Day on March 8, 26 high-ranking female officials who have worked for the United Nations have penned an open letter to world leaders calling for greater investment in policies and legal and social frameworks to achieve gender equality and inclusion.

Women's gains must be built on, not rolled back

We join our voices as women colleagues who have worked in governments and in multilateral organizations in support of promoting humanitarian relief, advocating for human rights principles and normative policies, advancing sustainable development, and resolving some of the world's most complex conflicts. We ourselves have leveraged multilateralism in order to drive positive change for peoples and our planet. Now we collectively call attention to the need to achieve full gender equality and empowerment of women across all ambits of society and the critical importance of multilateralism as a vehicle in support of that.

As women leaders in our respective fields, we have struggled locally and globally to respond to challenges ranging from the elimination of hunger to achieving peace and security, and from the provision of emergency humanitarian aid in the aftermath of natural and human-induced disasters to the promotion of human rights, including those of women, children, marginalized populations, and those living with disabilities. Our work at its best was based on the principles of sustainable development and the need to build long term resilience. It has also been underpinned by our determination to have a positive impact on the lives of those with and for whom we work, particularly the most vulnerable. We are deeply convinced that for peace to be achieved and sustained, the full participation and potential of women

must be unleashed.

Our shared sense of purpose and responsibility to promote gender equality and women's empowerment derives from our experiences. Despite decades of notable advances, a reality in which opportunities, freedoms, and rights are not defined by gender has not been universally attained. Even more concerning, we are seeing in some places that the basic rights of women are interpreted as direct and destabilizing challenges to existing power structures. That can lead to efforts to roll back hard-won rights and frameworks agreed on in support of gender equality and women's empowerment, not least those encapsulated in the historic Beijing Declaration and Platform for Action of 1995 and Security Council Resolution 1325 on Women, Peace and Security.

As women increasingly occupy meaningful spaces in local, national, and international political structures and in socio-economic, scientific and sustainable development debates, and as we engage through civil society in many campaigns, we see now, close to a quarter of a century after Beijing, more movements gaining traction which seek to halt the gains made and erode the rights won by women.

This regression is what fuels our collective effort now under the banner of "Women Leaders — voices for change and inclusion". As women leaders, we call on leaders in governments, the private sector, and civil society to reinvest in policies and in legal and

social frameworks that will achieve gender equality and inclusion. Ours is a call for a redoubling of current efforts which are insufficient in many places. Above all, we seek to underscore that the risk posed by politics that seek to halt and erode gender equality is a risk not only to women, but also to all of humanity because half the population is prevented from contributing to its full potential.

The 2030 Agenda for Sustainable Development, the Paris Agreement, the Convention on the Eradication of Discrimination Against Women, and many other global agreements, treaties, and conventions have been achieved through multilateralism and demand our collective effort in order to realize their ambitious vision. They represent the hopes and aspirations of current and future generations. Yet, these transformative agendas and agreements are increasingly and disconcertingly called into question.

We attach our names to this open letter in the belief that, by bringing together our voices and leveraging our experiences, as women leaders from diverse backgrounds, we will amplify the reach and impact of our message.

In the coming weeks and months, we will speak through different means and publish a series of opinion pieces and essays in publications around the world that draw on our diverse — and yet shared — experiences and perspectives as women leaders in our respective fields. It is our hope that this compila-

tion of work will serve not only to impart insights on the importance of women as multilateral actors, but also to be a call to action to the women leaders and advocates of tomorrow. The space that we collectively occupy as women leaders in our fields across the public, private, and civil society spheres was not opened up easily and can never be taken for granted. It is the result of the sacrifices and struggles, of generations of women. Political forces today threaten to erode the progress that we have made at both the national level and through landmark global agendas. Whether those forces succeed will depend on whether the women leaders and advocates of today and tomorrow and all who stand with them recognize the urgency and peril but also the opportunity of this current moment and act accordingly.

*Signed by: Karen AbuZayd; Shamshad Akhtar; Amat Alsoswa; Valerie Amos; Zainab Bangura; Carol Bellamy; Catherine Bertini; Irina Bokova; Gina Casar; Margaret Chan; Judy Cheng-Hopkins; Helen Clark; Radhika Coomaraswamy; Ertharin Cousin; Christina Figueres; Louise Frechette; Cristina Gallach; Rebecca Grynspan; Ameerah Haq; Noeleen Heyzer; Angela Kane; Elisabeth Lindenmayer; Susana Malcorra; Purnima Mane; Aichatou Mindaoudou; Flavia Pansieri; Navi Pillay; Mary Robinson; Josette Sheeran; Mari Simonen; Fatiah Serour; Ann Veneman; Sahle-Work Zewde.*