



## Battle of the BRI's: How the West plans to challenge China's rise through infrastructure, and why it might not succeed

Will the appeal of the Western-led global democratic order triumph over China's pragmatic approach to infrastructure investments? In this op-ed, Tabita Rosendal Ebbesen explores the possibility that the two new infrastructure investment initiatives proposed by the US and EU might pose a challenge to China's Belt and Road Initiative (BRI).

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## How the West plans to challenge China's rise through infrastructure, and why it might not succeed

By Tabita Rosendal Ebbesen, Ph.D. student at the Centre for East and South-East Asian Studies, Lund University, Sweden, and affiliate at the Nordic Institute of Asian Studies (NIAS) in Copenhagen, Denmark.

In June 2021, the 'Build Back Better World' (B3W) Partnership was announced.<sup>i</sup> This collaboration between US President Biden and the other G7 powers aims at narrowing the \$40+ trillion infrastructure gap in the developing world, as well as to "demonstrate US competitiveness abroad and create jobs at home", and it will be forwarded under the principles of the existing Blue Dot Network.<sup>ii</sup>

In July, roughly a month later, the EU revealed their plan to launch an (thus far unnamed) infrastructure investment initiative to rival that of their "strategic competitor".<sup>iii</sup> These Western-led initiatives thus present direct responses to China's 'Belt and Road' Initiative ('一带一路'倡议) (BRI) launched in 2013, which remains intimately linked to China's rise to or (re)emergence at the center of the world's political stage. But will the B3W and the EU's initiative make a difference, or has this game of catch-up come too late?

### Infrastructure investments under intensifying Sino-Western strategic competition

While the official reason for the launch of the B3W is said to be the COVID-19 pandemic, which has exacerbated the need for infrastructure investments in the developing world, the US statement emphasizes that "strategic competition with China" is the key driver. Similarly, the EU Council is expecting their initiative to contain "high impact and visible projects" to rival Beijing as a "globally connected EU". This includes a "striking" name and logo set to bolster the EU's soft power efforts.

The conception of these initiatives is neither a sudden development nor a knee-jerk reaction. Recent events – such as the signing of the Regional Comprehensive Economic Partnership (RCEP) and the EU-China Comprehensive Agreement on Investment (CAI), Chancellor Angela Merkel's siding<sup>iv</sup> with President Xi Jinping at the World Economic Forum in Davos, as well as China's response<sup>v</sup> to the ongoing US-China trade war – have all intensified the Sino-US strategic competition. They have also underlined the waning influence of the US in the Asia-Pacific and have served as a sobering reminder of the adverse impacts of Trump's 'America First' policy.

However, it is not just the US that is beginning to feel uneasy when it comes to Chinese mega-investments – the EU remains internally divided, with some countries favoring economic investments over values-based politics, and unanimous decisions on China are few and far between.<sup>vi</sup> Therefore, the EU is increasingly realizing its need to ‘step up to the plate’ in offering alternative infrastructure solutions to its citizens.

As such, it is not surprising that the B3W – and, to a lesser extent, the EU-based initiative, which is still being conceptualized – are promoted as “antitheses” to the BRI. For one, the B3W is posited as being *values-driven, high-standard, transparent, and democratic*, four focal points which have remained a source of constant Western dismissal and disapproval of the BRI. While details on the EU-led initiative are still scarce, its focus remains on similar points, such as *sustainable financing, upholding international standards*, as well as *greater public visibility*.

However, while concrete focus areas have yet to be proposed for the EU’s initiative, the B3W and the BRI cover many of the same points: The B3W focuses on climate, but China is increasingly touting its own Green Silk Road (GSR) (绿色丝绸之路) as a major milestone and focus area for the BRI’s future. Similarly, while the B3W aims to promote health and health security, China has been pushing the Health Silk Road (HSR) (健康丝绸之路) for a while.

During the COVID-19 pandemic, China’s ‘mask diplomacy’ has been a political hot potato, as

Chinese efforts to win hearts across the world have been largely successful. This is in stark contrast to the rapidly declining reputation of the Western powers that have been criticized for neglecting their duties.<sup>vii</sup> However, issues of faulty equipment and vaccines that are less efficient than previously anticipated persist, and these may prove challenging to China’s external image and soft power pursuits.

Further, the B3W retains a focus on digital technology, but China’s own Digital Silk Road (DSR) (数字丝路) is firmly integrated within the BRI framework, even if it remains an incredibly debated topic. Finally, the B3W promotes gender equity and equality. While this is an area that has not been covered extensively by China, except under the broader heading of the BRI’s promotion of “people-to-people bonds”, the question remains whether this will be the decisive difference between the two initiatives.

## **The appeal of the Western-led global democratic order**

After exploring the contents of the B3W and the EU-led initiative as they have been revealed thus far, several questions remain. First, is it likely that these two initiatives will challenge the BRI, or is the West overestimating the power of values and of democracy? This remains to be seen, but as China’s trajectory has shown, many countries are more interested in investments than they are in moral lessons. Indeed, many non-Western, developing countries now look to China for guidance on recovering or rejuvenating their economies, a shift that was further intensified during former US President Trump’s reign

where the country lost much of its credibility as an international partner.

In comparison, Xi has proved himself to be a strong, assertive ruler, and he has personally spearheaded the charting of China's new course since he was elected in 2013. His focus on multilateralism and South-South Cooperation has won over many neighboring and developing countries.

Second, are projects by the two Western-led initiatives likely to replace projects that are currently being developed through the BRI? The B3W is said to stretch "from Latin America and the Caribbean to Africa and the Indo-Pacific", quite similarly to the EU proposal, but these are all places where China's BRI is already firmly placed. Of course, both initiatives could seek to invest in different sectors than already existing BRI projects, but as of now, it seems doubtful that many countries would be willing to halt ongoing projects unless the West can make a very compelling case. Here, it is important to note that China has continuously presented itself as a level-headed partner for many countries, and that it has funded many projects which Western countries previously would not touch. In this way, many countries that have previously felt 'forgotten' by the West have experienced massive economic impetus with China's help.

As a recent example to illustrate the difficulties of attempting to outmaneuver China's BRI, Sri Lanka provides an excellent case. Here, India and Japan ended up in a dispute over the proposed East Container Terminal (ECT) project in Colombo, despite an existing tripartite Memorandum of Cooperation (MoC)

signed in 2019 between the two Quad powers and Sri Lanka, as well as several investments and loans having already been made.<sup>viii</sup> The Sri Lankan government stated that this was due to protests by local trade unions, and it has now been decided that the state-owned Sri Lanka Ports Authority<sup>ix</sup> (SLPA) will operate the ECT in sole ownership. India and Japan have now been offered the (much less lucrative) West Container Terminal (WCT) deal,<sup>x</sup> while China and SLPA retain joint ownership of the adjacent Colombo International Container Terminal (CICT).

It was quickly suggested that the real reason behind this dispute was China's influence in the port,<sup>xi</sup> not least in the form of the new Colombo Port City (CPC) project, which is viewed by critics as a "Chinese colony".<sup>xii</sup> It was similarly suggested that the shift illustrated China's wish to contain India's power in the Indo-Pacific, resulting in a direct impact on Sri Lanka's foreign policy.<sup>xiii</sup>

However, another explanation may be found in the Sino-Sri Lankan relationship, which has been growing steadily stronger during the past few years.<sup>xiv</sup> China has been Sri Lanka's 'all-weather friend' in times of crises, both when it comes to questions of human rights abuses during the Sri Lankan civil war, as well as when Sri Lanka was hit by COVID-19. As such, it is currently difficult to imagine that the West would be able to move in and take over the funding of such projects. Sri Lanka is but one example which highlights this complexity – Gwadar Port of Pakistan, Djibouti Port of Djibouti and Piraeus Port of Greece are other cases in point.<sup>xv</sup>

## The question of human rights

One proverbial wrench in China's machinery may be found in the country's recent human rights abuses, which have been documented extensively by Western media. Examples include the re-education camps<sup>xvi</sup> and forced labor projects of Xinjiang,<sup>xvii</sup> as well as the signing and ratification of the 2020 Hong Kong national security law.<sup>xviii</sup> In this way, the signing of the CAI and RCEP may have inadvertently conveyed the wrong message, at least initially.

Recently, though, there have been reverse trends. For one, due to an intense tit-for-tat sanctioning process between China and the EU over these human rights issues, the CAI agreement has been put on hold,<sup>xix</sup> even if the Chinese Communist Party remains confident that the deal will be ratified soon. The question thus remains whether the issue of upholding basic human rights will be the deciding factor that ends up derailing China's efforts.

However, while this development may provide a boost to the B3W and the EU's initiative in some countries, the fact remains that many of the countries which are currently working with China or have active BRI projects have not responded directly to these reports, nor have they cancelled projects as a result.

<sup>i</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>

<sup>ii</sup> <https://www.state.gov/blue-dot-network/>

<sup>iii</sup> <https://www.politico.eu/article/eu-starts-work-on-rival-to-chinas-belt-and-road-project-network/>

<sup>iv</sup> [https://www.bundesregierung.de/breg-en/news/speech-by-federal-chancellor-dr-angela-](https://www.bundesregierung.de/breg-en/news/speech-by-federal-chancellor-dr-angela-merkel-at-the-world-economic-forum-s-davos-dialogue-on-26-january-2021-video-conference--1846772)

Moreover, even if 'Global China' is retreating in some ways, and even if some projects are cancelled or renegotiated due to high costs and changes in the local political climates, this still does not ensure the West's success.

## Too little, too late?

As the details of the B3W and the EU's initiative begin to reveal themselves, our understanding of them will naturally be enhanced. Right now, however, it seems unlikely that they will be able to replace China's BRI on the grand scale, though they may still succeed in some countries.

As such, it currently seems as if though the Western-led initiatives are a case of 'too little, too late', and it is difficult to imagine them as presenting more attractive alternatives to China's investments. The moral of the story so far may simply be that 'money talks' – time will tell whether the values-based approach is due for a comeback, and whether the values will be those promoted by the West or by China.

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<sup>v</sup> <https://www.reuters.com/article/china-economy-transformation-explainer-idUSKBN2600B5>

<sup>vi</sup> [https://merics.org/sites/default/files/2020-04/190108\\_ETNC\\_report\\_2018\\_updated\\_2019.pdf](https://merics.org/sites/default/files/2020-04/190108_ETNC_report_2018_updated_2019.pdf)

<sup>vii</sup> <https://www.scmp.com/comment/opinion/article/3132204/coronavirus-vaccine-hoarding-three-reasons-its-rich-countries-own>

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<sup>viii</sup> <https://jamestown.org/program/chinas-port-investments-in-sri-lanka-reflect-competition-with-india-in-the-indian-ocean/>

<sup>ix</sup> <https://www.portstrategy.com/news101/world/asia/sri-lanka-terminal-wont-be-sold-or-leased>

<sup>x</sup> <https://www.thehindu.com/news/international/sri-lanka-now-clears-indian-investment-at-another-colombo-port-terminal/article33969407.ece>

<sup>xi</sup> <https://www.thehindubusinessline.com/economy/logistics/chinese-hand-seen-behind-blocking-indias-bid-to-develop-ect-in-colombo-port/article33760430.ece>

<sup>xii</sup> <https://telanganatoday.com/colombo-port-city-chinese-colony-in-our-backyard>

<sup>xiii</sup> <https://www.orfonline.org/expert-speak/bandwagoning-china-geopolitics-container-terminal-srilanka/>

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<sup>xv</sup> [https://www.thinkchina.ku.dk/documents/policy-brief/ThinkChina\\_China\\_Studies\\_Project\\_Policy\\_Brief\\_-\\_Tabita\\_Rosendal\\_Ebbesen\\_TRE\\_China\\_s\\_New\\_World\\_Order.pdf](https://www.thinkchina.ku.dk/documents/policy-brief/ThinkChina_China_Studies_Project_Policy_Brief_-_Tabita_Rosendal_Ebbesen_TRE_China_s_New_World_Order.pdf)

<sup>xvi</sup> <https://www.hrw.org/news/2020/02/20/more-evidence-chinas-horrific-abuses-xinjiang>

<sup>xvii</sup> <https://www.theguardian.com/commentis-free/2021/apr/09/cotton-slave-labor-uyghur-region-china>

<sup>xviii</sup> <https://www.bbc.com/news/world-asia-china-52765838>

<sup>xix</sup> <https://www.china-briefing.com/news/the-eu-suspends-ratification-of-cai-investment-agreement-with-china-business-and-trade-implications/>

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