UNLOCKING THE GATES OF EURASIA: CHINA'S BELT AND ROAD INITIATIVE AND ITS IMPLICATIONS FOR U.S. GRAND STRATEGY

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What is the Belt and Road Initiative and what implications could it have for America's grand strategy? As many observers have pointed out, China's Belt and Road suffers from a number of problems and ambiguities. However, it is a much more coherent, potent, and resilient endeavor than many experts believe. Belt and Road is deeply grounded within Chinese grand strategy and strategic culture, helps protect the foundations of China's national power, and allows Beijing to project influence across and beyond the Eurasian continent. If left unchecked, it could erode the foundations of America's post-World War II hegemony. However, provided U.S. leaders respond the right way, it could offer important benefits to Washington.

The Belt and Road Initiative, an unprecedented infrastructure program that extends across and beyond the Eurasian continent, has elicited increasingly hostile reactions in the West and come to symbolize U.S. leaders' disillusionment regarding Beijing's growing assertiveness and authoritarianism under Xi Jinping. However, the initiative's nature and its potential repercussions remain unclear. What is Belt and Road? What implications could it have for America's grand strategy? This article investigates these questions with a particular focus on security dynamics, arguing that, despite multiple problems and ambiguities, Belt and Road spearheads a coherent Chinese grand strategy that could weaken the foundations of America's post-World War II hegemony but also advance some U.S. interests. Many observers view Beijing's initiative as a threat. The Trump administration, whose December 2017 National Security Strategy declared China a "revisionist" power that aims "to erode American security and prosperity," has vehemently denounced Beijing's predatory economic practices and, along with some allies and partners, is developing alternative investment projects. Likewise, most scholars are skeptical about Chinese intentions. Some perceive Belt and Road as an


3 Like primacy or preponderance, hegemony entails superior power, but it also implies acknowledgement of a state's authority by most of the other members of the international system; G. John Ikenberry, Charles A. Kupchan, “Socialization and Hegemonic Power,” International Organization 44, no. 3 (Summer 1990): 283–315, https://doi.org/10.1017/S002081830003530X.

opportunity. Others stress that its primary goal is to advance China's domestic economic growth. Yet, many believe that under the guise of spreading prosperity Beijing intends to centralize global economic activity, weaken America’s alliances, and erode the U.S.-led international order, with baleful consequences.

At the same time, most experts contend that China’s prospects of success are slim. Belt and Road’s closest equivalent, the Marshall Plan for Western Europe, which the United States launched while at the height of its power, had a much narrower financial reach and timeline (1947 – 1951) and covered far fewer nations — but ones that were economically stronger. While some scholars anticipate that Belt and Road will generate modest returns, many criticize it as a mere slogan or an “endless list of unrelated activities” that will drain Beijing’s finances and damage recipient countries.

In this article, I engage this conversation and argue that, for all its flaws, the Belt and Road Initiative is much more coherent, potent, and resilient than many believe. First, it leverages China’s unique geoeconomic assets, such as state control over national actors, a vast national market, and growth rates superior to those of most countries, to circumvent Washington’s military primacy. Second, Belt and Road works in tandem with Beijing’s industrial modernization, defense buildup, omni-directional engagement, and sophisticated propaganda, thereby transcending the U.S. military-centric approach. Third, the initiative advances a hybrid cross-regional geostrategy that yields powerful sea-land synergies, in contrast with America’s more circumscribed vision. Finally, China’s initiative exploits Washington’s post-Cold War overreach — militarization, political and neoliberal interference — and the strains in its alliance network. Left unchecked, Belt and Road could erode America’s post-World War II hegemony. However, it also offers opportunities that could be leveraged to advance some U.S. interests.

This article makes two contributions to the literature. First, and most important, its multidisciplinary and comprehensive approach helps capture Belt and Road’s mutually reinforcing foundations. Excellent studies have addressed the genesis and contours of China’s initiative in general terms, or have explored its implementation in specific domains (e.g., finance and technology), geographic areas (e.g., Pakistan and Southeast Asia), or projects, like Sri Lanka’s Hambantota port. However, investigating its historical and cultural roots, multidimensional nature, synergy with other Chinese policies, and geostrategic manifestations altogether against the backdrop of America’s hegemony helps uncover why Beijing’s endeavor is more coherent, potent, and sustainable than many believe.

Second, the article stresses the role of geoeconomics in grand strategy. Leading scholars have shown how economic assets can elevate a robust alternative to traditional military strategies.


11 Geoeconomics is the “use of economic instruments ... to produce beneficial geopolitical results”; Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Belknap Press of Harvard University Press, 2016), 20. For additional information on China’s geoeconomic assets, see Blackwill and Harris, War by Other Means, 129–51.

12 For works of reference, see, Bruno Maçães, Belt and Road; and Nadège Rolland, China’s New Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017).
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state’s international position. Recent studies have demonstrated how “deeper, faster … and more integrated” markets impact foreign policy, or have compared the U.S.-China competition to the contest between Germany and Great Britain in infrastructure, technology, trade, and finance in the late 19th century. However, endorsing the realist paradigm that “effective power is [essentially] a function of … military forces,” many experts “shy away” from economic analysis. To them, grand strategy mostly relies on “military remedies,” “concentrates … on how the military instrument should be employed,” and necessitates the ability to “use … force internationally.” This analysis builds on these vital contributions, but it reintroduces geoeconomics into the picture.

The article proceeds in three sections. First, it outlines Belt and Road’s progress, its position within China’s grand strategy and strategic culture, and its resilience. Second, it explores how Belt and Road helps protect the foundations of Beijing’s power. Third, it investigates how the initiative allows China to project influence abroad. In each section, the article also discusses the impact of Beijing’s ambitions on the interdependent levers of influence — military, economic, diplomatic, and geostrategic — that have underpinned America’s post-World War II hegemony. It concludes with policy recommendations for U.S. leaders.

Belt and Road: More than a Slogan

Despite its many problems, the Belt and Road Initiative relies on powerful drivers that are sources of coherence, strength, and sustainability. After a brief overview of Belt and Road, this section discusses the initiative’s position within China’s grand strategy and strategic culture, and its resilience in the face of uncertainties, setbacks, and rising competition.

Emerging Features

The Belt and Road Initiative was launched in the fall of 2013. At its core, it seeks to use trade and foreign direct investment, most of which emanate from state-owned banks, to build connectivity across Eurasia. Its two main branches, the Maritime Silk Road and the Silk Road Economic Belt, initially radiated in six directions: the China-Pakistan Economic Corridor, the Bangladesh-China-India-Myanmar Economic Corridor, the China-Mongolia-Russia Corridor, the China-Central Asia-Western Asia Corridor, the China-Indochina Peninsula Economic Corridor, and the New Eurasian Land Bridge. As formalized in March 2015, Beijing intends to develop transport, energy, and telecommunication infrastructure to bolster commerce, financial integration, policy coordination, and “people-to-people bonds.”

One oft-cited description of the Belt and Road Initiative portrays a multidecade undertaking of $4 trillion spanning areas that represent 70 percent of the world’s population, 55 percent of the global economic output, and 75 percent of the planet’s energy reserves. Another study predicted that Belt and Road funding would ultimately exceed $8 trillion. These estimates are speculative. However, the initiative has already become a concrete reality. Beijing spent $38 billion in investments — meant to acquire “ownership stake[s]” — and $208 billion in construction projects conducted for third parties in Belt and Road countries between 2014 and 2017, compared to $76 billion and $140 billion, respectively, between 2010 and 2013. Belt and Road’s share in China’s foreign direct investments

rose from less than 20 percent in 2017 to 40 percent in 2018, although that increase partly resulted from expanding membership in the initiative. Moreover, Belt and Road trade exceeded $1.3 trillion in 2018, a 16.3 percent jump that dwarfed China's 12.6 percent overall trade increase. The scope and content of the initiative are ambiguous and in constant flux. However, these characteristics do not necessarily handicap it. Belt and Road's membership — currently more than 100 countries — continues to expand. Although many observers have derided the vagueness of its Memoranda of Understanding, these documents have real political value and initiate processes that can gain momentum over time. Moreover, many actors located outside Belt and Road's boundaries are collaborating with China's initiative, including the Saudi government, British banks, and American companies. Finally, Belt and Road works in conjunction with Beijing's industrial modernization, economic and diplomatic outreach, propaganda, and military expansion.

Observers rightly point out that the initiative lacks transparency and that its projects are impacted — sometimes corrupted — by Chinese substate actors who compete against each other to serve their own agendas. Indeed, the post-1978 “fragmentation, decentralization and internationalization of ... state apparatuses” in China has allowed bureaucracies and state-owned companies to work around governmental directives, and has left provinces free to engage internationally without much oversight. Furthermore, Chinese government elites themselves use Belt and Road to build “discourses of hopes and fears” that shift the domestic narrative away from growing economic difficulties. However, Beijing’s authorities are highly committed to rationalizing the process. Xi Jinping, the most powerful Chinese leader since Mao, involved his own legitimacy in Belt and Road, enshrined the latter into the national constitution, created a high-level committee that regularly intervenes to address the initiative's dysfunctions, and presented Belt and Road to the rest of the world as a symbol of China's rise and credibility. To be sure, problems will persist, but they are likely to remain under control.

Some experts emphasize that Belt and Road is merely a slogan because many of the methods and projects that it encompasses existed before its launch. Indeed, the initiative doubles down on state control of the national economy and exploitation of Beijing's foreign commercial appeal. It resonates with the Western development strategy, designed in the late 1990s to reduce inequalities between China's coastal and continental provinces; the “Going Out” investment plan for strategic assets, begun in the 2000s; growth-seeking infrastructure campaigns launched in 1997 and 2008; and rhetorical


24 See later sections.


catchphrases, such as “peaceful rise,” promoted in the mid-2000s. The same can be said of specific projects. For instance, the China-Pakistan Economic Corridor builds upon a long friendship rooted in a common interest in encircling India. Yet, these continuities suggest a real degree of coherence. Additionally, Belt and Road is taking past endeavors to new heights. Moreover, the initiative publicizes China’s emerging global ambitions at a time of widespread perception of America’s relative decline.

Belt and Road’s Position Within China’s Grand Strategy and Strategic Culture

The coherence of the Belt and Road Initiative also stems from its symbiotic integration within the arc of Communist China’s grand strategy. That strategy was largely defined by the “century of humiliation” — the period between the start of the First Opium War in 1839 and the creation of the People’s Republic of China in 1949 — which destroyed the “extraordinarily high ... civilizational self-regard in which the Celestial Empire had for so long insisted on holding itself.” The trauma generated a “post-imperial ideology” of victimization, and convinced many Chinese that their country’s “destiny” was to recover “global status and power.”

This perspective reflects important facets of China’s strategic culture itself. Beijing’s leaders have long claimed to have a unique “pacifist, non-expansionist, and purely defensive” orientation. Endorsing this assessment, many experts who delve into the writings of traditional figures such as Confucius or Sun Tzu stressed a national preference for “strategic defense,” “diplomatic intrigue,” “alliance building,” and “the restrained application of force for clearly enunciated political ends.” Those virtues are often contrasted with Western civilization’s allegedly aggressive outlook. Indeed, according to some scholars, Chinese leaders developed a “siege mentality” that they now direct toward the United States, which they consider to be in opposition to Beijing’s resurgence.

Belt and Road aligns with this intellectual framework. China promotes it to pursue “strategic hedging” — optimizing its ability to handle potential threats coming from the international system’s hegemon without taking explicit military action. More broadly, Belt and Road is being used to “shape [an] environment that is conducive to ... [Beijing’s] economic, social, and political development.” In doing so, the initiative departs from the Western strategic tradition, which stresses “force on force.” Designed to circumvent U.S. military superiority, its geoeconomic thrust, omni-directional engagement, and hybrid maritime-continental orientation reflect centuries-old tactics, such as “forestalling hostile coalitions ... seeking relative advantage rather than high-risk confrontations,” and “[fusing] the soft and gentle to overcome the hard and strong.”

31 Manjari Chatterjee Miller, Wronged by Empire: Post-Imperial Ideology and Foreign Policy in India and China (Stanford, CA: Stanford University Press, 2013), 2.
32 Ford, China Looks at the West, 421.
34 Johnston, Cultural Realism, 25.
Moreover, Belt and Road conveys a narrative of peaceful benevolence. Honoring the spirit of the ancient Silk Road, the initiative officially welcomes everyone, offers “win-win cooperation,” and promotes “friendship, shared development, peace, harmony and a better future.” This lofty rhetoric obliquely refers to the tribute system that helped China dominate Asia via “civilizational attraction” from the 3rd century B.C. to the mid-19th century. However, this narrative could be curtailed by other facets of Beijing’s strategic culture. To begin with, that culture is characterized by a Sinocentrism stretching back to the third millennium B.C. according to which all those who lived beyond China’s peripheries were “subordinate barbarians.” Those patterns have been exacerbated by the Chinese Communist Party’s ideology and nationalism. In fact, Belt and Road’s early implementation has shown some propensity to ignore local expectations in recipient countries. Additionally, the initiative perpetuates China’s perennial “pull between closure and openness,” as illustrated by its lack of transparency or by the promotion of authoritarian standards via the Digital Silk Road.

Most important, Belt and Road constitutes an open “counter-hegemonic” effort. Breaking with the “hide and bide” approach defined by Deng Xiaoping in the late 1970s, Xi Jinping publicly announced a plan to achieve “global [leadership] in … comprehensive national power” by 2049. This declaration marks the end of the “strategy of transition,” which was adopted after the 1996 Taiwan crisis to help China emerge “within … a unipolar international system.” Xi’s growing assertiveness could illustrate what some leading scholars have presented as the dominant face of China’s strategic culture, one that heavily relies on violence and offensive warfare. After all, over the centuries, many Chinese leaders have conducted “campaigns of conquest” and built their legitimacy on territorial expansion.

Some aspects of Belt and Road might reflect that logic. For one thing, as illustrated by recent controversies, the initiative could facilitate economic coercion. Moreover, it is working in tandem with a strong military buildup and an expanding defense doctrine, and it might help Beijing establish a foreign base network. However, even the experts who argue that China’s strategic culture is predominantly aggressive explain that such impulses are tempered by “posturing that stresses … disinterested and violence-averse benevolence,” and by “a conscious sensitivity to changing relative capabilities.” Additionally, in some ways Beijing still wants to let a declining America assume the costly responsibilities of maintaining the international order.

Considering all of these aspects, Belt and Road is useful in that it allows the defensive and offensive facets of China’s dual strategic culture to cohabitate while keeping all options open for the future. However, other cultural characteristics deserve attention as well when examining Beijing’s initiative. Chinese leaders have often privileged long-term vision over immediate gains and tended to approach strategic issues with “the whole situation in mind” rather than one single battlefield. They also focus

45 Lovell, The Great Wall, 348–49.
49 Johnson, Cultural Realism, x.
less on specific assets than on the way these assets “work ... in concert” in a logic of encirclement or counter-encirclement.\textsuperscript{54} Such elements might help reveal the potency of Belt and Road. Although the initiative's ambiguous and disaggregated aspects have attracted valid criticism, over time synergies may emerge between its various dimensions, its regional manifestations, and the other instruments of Beijing’s grand strategy. Consider, for instance, how the nascent Polar Silk Road and the combination of infrastructure investments in continental Eurasia, the Suez Canal, and European port terminals might propel China's commercial penetration of wealthy northwestern European economies.\textsuperscript{55} Likewise, a growing naval presence, and a rising influence in island states like Sri Lanka and the Maldives could turn Beijing into a “resident power” in the Indian Ocean region.\textsuperscript{56} Admittedly, none of these outcomes is predetermined. But they seem reasonably plausible and, should they materialize, could have far-reaching implications for the United States.

**Belt and Road's Resilience**

Observers have expressed legitimate doubts about Belt and Road’s sustainability in view of Beijing’s domestic difficulties, its setbacks in recipient states, and rising alternatives. However, although those challenges could potentially cripple the Chinese initiative, it may nevertheless prove resilient if Beijing’s leaders make certain adjustments. One of Belt and Road’s key challenges stems from China’s domestic troubles. These include an economic slowdown, debt, corruption, inequality, and a rapidly aging population. Additionally, traditional measurement methods like Gross Domestic Product (GDP) have overestimated the strength of the Chinese economy.\textsuperscript{57} Furthermore, Xi Jinping’s centralization of power could compromise the regime's effectiveness, not to mention its system of success. Each of these problems could single-handedly derail the country's trajectory.\textsuperscript{58} Belt and Road itself could exacerbate those tensions by diverting money that might better be used at home. Beijing’s economy could also suffer from the graft, rent-seeking, and domestic agendas of the initiative's foreign recipients.\textsuperscript{59} In fact, the steep fall of Chinese overseas investments since 2016 might jeopardize Belt and Road's future.\textsuperscript{60}

Yet, those problems must be put into perspective. China has made phenomenal progress since the 1980s. Moreover, it repeatedly disproved the experts who prophesied its demise, and its economy still has major assets including competent leadership, low government debt, vast foreign exchange reserves, manufacturing dominance, a much-underestimated ability to innovate, and solid growth — whether measured in GDP or alternative methods such as “inclusive wealth.”\textsuperscript{61} As for Belt and Road, it is likely to prove financially sustainable. While considerable, the amount of money involved in the initiative pales in comparison to the $5.9 trillion that the United States has spent on the global war on terrorism since 2001 or will inevitably spend in the form of interest rates, veterans’ care, and other obligations.\textsuperscript{62} Some of Belt and Road’s losses were anticipated from the start and, despite the controversies surrounding China’s failures, many of its projects could yield high


\textsuperscript{55} See below.


\textsuperscript{61} William H. Overholt, *China’s Crisis of Success* (New York: Cambridge University Press, 2018), 70, 176, 181; Sebastian Heilmann, Red Swan: How Unorthodox Policy Making Facilitated China’s Rise (Hong-Kong: Chinese University Press, 2018); Editorial Board, *China’s Slowing Economic Growth* (Hong-Kong: Chinese University Press, 2018); Stephen Metz, “Resilience of China’s military in the 1980s. Moreover, it repeatedly disproved the experts who prophesied its demise, and its economy still has major assets including competent leadership, low government debt, vast foreign exchange reserves, manufacturing dominance, a much-underestimated ability to innovate, and solid growth — whether measured in GDP or alternative methods such as “inclusive wealth.”\textsuperscript{61} As for Belt and Road, it is likely to prove financially sustainable. While considerable, the amount of money involved in the initiative pales in comparison to the $5.9 trillion that the United States has spent on the global war on terrorism since 2001 or will inevitably spend in the form of interest rates, veterans’ care, and other obligations.\textsuperscript{62} Some of Belt and Road’s losses were anticipated from the start and, despite the controversies surrounding China’s failures, many of its projects could yield high
returns. Moreover, Beijing’s recent foreign direct investment review may optimize decision-making.63 Forecasts put annual Belt and Road investments and construction contracts at $50 billion and $60 billion, respectively. Such predictions seem rather reasonable given China’s low stock-to-GDP ratio — 10.9 percent versus America’s 28.9 percent — and private investments could push them further.64 Therefore, drawing any conclusions from Beijing’s current difficulties would be highly premature.

The future of Belt and Road could also be compromised by the growing tensions observed in recipient states. China’s promises have not always materialized and corrupt projects make the headlines, stirring disappointment among local populations. Beijing’s nondiscriminative approach means lower governance standards than those of Western institutions like the World Bank or the International Monetary Fund, especially when it comes to transparency and social responsibility. Additionally, Chinese actors capture most of Belt and Road’s contracts at the expense of local companies.65 Furthermore, the massive loans extended to recipient states can create what many observers have called a “debt trap,” as illustrated by China’s takeover of Sri Lanka’s Hambantota port in December 2017, and skyrocketing national debt levels in countries like the Maldives, Djibouti, or Montenegro.66 Local discontent has torpedoed major contracts, including Pakistan’s $14 billion Diamer-Bhasha dam in November 2017 and Malaysia’s $20 billion East Coast Rail Line in May 2018. Discord could intensify as Belt and Road loans near expiration and as China gets embroiled in regional rivalries — such as the one between Saudi Arabia and Iran — and local politics. Finally, Chinese citizens have been the target of terrorist or insurgent attacks, for example in Pakistan’s Baluchistan province.

Yet, Belt and Road’s appeal remains strong. To begin, the initiative’s relevance is guaranteed by the fact that projected global infrastructure needs from 2013 to 2030 may amount to $57 trillion.67 Additionally, Western-led organizations have long neglected building infrastructure and have been highly risk-averse, which led them to ignore many poor countries, a gap that Beijing is now trying to bridge.68 Moreover, while the criticism of China deserves attention — after all, it uses its economic power to gain leverage and some of its practices are dangerous — its development financing has had positive effects. This impact, which includes economic growth, job creation, and providing alternatives to austerity in times of crisis, explains Beijing’s undeniable popularity in Africa and Latin America.69 As for the “debt trap” accusations, they have their limits. Seeking too many bankruptcies would not make sense for China as it would cripple its finances. Authoritative institutions such as the Center for Global Development concluded that

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Belt and Road “is unlikely to cause a systemic debt problem.” In fact, Beijing’s credit from 2000 to 2016 only counted for 2 percent of the developing countries’ $6.9 trillion accumulated debt, which largely results from the West’s colonial legacies, unfair commercial terms, austerity measures, and dollar-denominated payment requirements. Additionally, China is not the only actor that indulges in assets takeover, as exemplified in August 2015 when a German firm took control — with the European Union’s and the International Monetary Fund’s approval — of 14 Greek airports valued at $1.23 billion for 40 years due to Athens’ unsustainable debt.

Xi Jinping’s promises in the April 2019 Belt and Road summit to ameliorate some aspects of the initiative may prove to be empty words. However, his public acknowledgement of the criticism that Beijing has received might suggest otherwise, not to mention the adjustments — albeit insufficient ones — that are already under way, such as increasing local hires, improving transparency, and consulting with local leaders. Importantly, early studies on foreign perceptions of the Chinese initiative are not overly alarming. Despite notable hiccups, Beijing’s financial reach, non-transparent approach, cheap technical assets, fast delivery, and anti-imperialist rhetoric often suffice to preserve Belt and Road’s appeal. For example, Middle Eastern state leaders believe that the alternative infrastructure projects that are emerging. In the last two years, Western countries have expressed growing concerns about China’s low governance standards in the context of their disillusionment over Beijing’s increasing protectionism, authoritarianism, and military assertiveness. The main alternatives to Belt and Road include Japan’s “quality infrastructure” blueprint, which would invest $200 billion over five years; the Indo-Japanese Asia-Africa Growth Corridor; the European Union’s Eurasia connectivity plan; and a revamped U.S. development finance agency with a


$60 billion portfolio. This competition could hurt China’s endeavor given these countries’ strong expertise, economic firepower, and determination to work together. It could also create a healthy competition that would ultimately benefit recipient states and their local populations.

However, these counter-initiatives may face a number of obstacles: First, most of them are still in their infancy and are progressing more slowly than Belt and Road. Second, for all the criticism of China’s practices, the West’s political and economic interferences and austerity standards have also generated their fair share of controversy among developing countries in the past. As such, the appeal of these competing projects should not be overestimated. Third, while Western countries’ foreign direct investment, which originates mostly from private actors, is much higher in the aggregate, China can more easily use its foreign direct investment for strategic purposes thanks to a much tighter, if imperfect, control over national actors. Fourth, these countries may have difficulty coordinating their counter-initiatives because of differing standards, priorities, and underlying strategic objectives. Fifth, domestic economic hardships could stand in the way. While China’s share in East Asia’s GDP rose from 8 percent to 51 percent between 1990 and 2014, Japan’s plunged from 72 percent to 22 percent. Meanwhile, India struggles with poverty, socio-ethnic and religious strife, and security threats. Interestingly, the Asia-Africa Growth Corridor proposed by Tokyo and New Delhi remains “abstract ... and both governments may be de-emphasizing the idea.” As for European economies, they are declining and Brussels’ Eurasia connectivity plan only offers “an increased firepower of up to €60 billion” spread out between 2021 and 2027. Finally, America’s response is blunted by deep fiscal deficits, a liberal outlook that rejects state interventionism, and the participation of powerful U.S. multinationals in Belt and Road.

Meanwhile, the frustrations prompted by Beijing’s commercial practices do not compromise the appeal of its market and products across the world. Moreover, the Trump administration’s withdrawal from the Trans-Pacific Partnership and suspension of the Transatlantic Trade and Investment Partnership negotiations expand China’s window of opportunity. Admittedly, Washington is pushing for deals akin to the revised North American Free Trade Agreement (announced in October 2018), which forbids commercial deals with Beijing. Yet, President Donald Trump may not be able to impose his views as easily on Japan, the European Union, and the Association of Southeast Asian Nations (ASEAN), heavyweights that value economic relations with China and oppose Washington’s protectionism.

Protecting the Foundations of China’s Power

The Belt and Road Initiative helps protect the foundations of Chinese national power in three areas. First, it bolsters the country’s national sovereignty and domestic stability. Second, it buttresses its economic security. Third, it enhances its industrial-military potential. These mutually reinforcing dynamics allow Beijing to hedge against potential U.S. aggressions.

Border and Domestic Security

Belt and Road is designed to bolster China’s border and domestic security. The vastness of the country’s western and southern peripheries, the local demographic superiority of non-Han ethnic groups, and the historical weakness of local state authority have always exposed Chinese leaders to domestic unrest and foreign interference. In that light, the United States has, in recent history, been a perennial concern. Washington tried to exploit turmoil in Tibet and Xinjiang during the early Cold War. Beijing has also worried for decades about America launching ideological attacks to “bring [China] into its own system.” For example, in recent years, Chinese leaders have resented Washington’s decision to grant political asylum to Xinjiang activists as well as its support for the National Endowment for Democracy and Radio Free Asia. Furthermore, the Obama administration’s “pivot” to Asia caused Beijing to pay even greater attention to its neighbors. The Indo-American rapprochement, starting in the mid-2000s, compounded Sino-American tensions. Indeed, China has long competed with India across territories that stretch from Myanmar to Kashmir and Tibet, and it deeply resents New Delhi’s protection of the Dalai Lama.

The Belt and Road Initiative addresses those problems in several ways. First, it is likely to stimulate the economies of China’s remote provinces, thereby reducing incentives for unrest. Second, combined with a robust military buildup in Tibet, the $62 billion China-Pakistan Economic Corridor and Beijing’s investments in Central Asia, northern South Asia, and continental Southeast Asia, are aimed at blunting regional separatist and terrorist threats. Third, the Digital Silk Road, which promotes Chinese telecommunications equipment and internet standards, optimizes surveillance and repression, buttresses domestic security cooperation with like-minded regimes, including Russia, and secures data from interception by foreign governments. Moreover, Belt and Road increases China’s push against New Delhi’s regional influence and could even tighten the encirclement of India, whose vulnerable northern flank, especially the Siliguri Corridor, provides strategic leverage to Beijing. Most important, the initiative reduces the harm that America could potentially inflict on Chinese peripheries.

However, the increase in Beijing’s border and domestic security should not pose insurmountable problems for the United States. Although Belt and Road reduces Washington’s ability to interfere in China’s backyard, doing so would have always been highly dangerous given Beijing’s nuclear status and growing power. Furthermore, as it improves China’s security, Belt and Road may allow American leaders to manage bilateral tensions more easily. The initiative has the potential to increase autocratic tendencies in Central Asia, inner Southeast Asia, and northern South Asia. However, promoting local democracy was never a priority for Washington. The United States does have an interest in backing India in its border disputes with China. Yet, beyond that specific imperative, massive regional efforts would risk diluting America’s resources in distant areas where Beijing often has a comparative advantage. Pakistan deserves attention, especially...
given India's strident opposition to the China-Pakistan Economic Corridor. However, given Washington's inability to influence Islamabad — despite spending more than $33 billion in economic and military assistance since 2001 — striving to match Beijing's local grip would be pointless. Belt and Road also optimizes Chinese trade routes. By 2015, China had already invested in two-thirds of the 50 largest container ports worldwide and represented 39 percent of the top 10 operators' traffic. Beijing has concentrated its attention on chokepoints. Indeed, 10 of its main port installations surround the South China Sea and eight command access to the Strait of Malacca, a crucial chokepoint that is exposed to the U.S. Navy. But China is also pressing for the Kra Canal in Thailand, which could more quickly link the Indian and Pacific Oceans. It is expanding its influence near the straits of Hormuz and Bab-el-Mandeb, including in Djibouti, which hosts Africa's largest free-trade zone, and Oman's $10.7 billion port in Duqm. Likewise, Beijing acquired a 20 percent share in the Suez Canal terminal, is erecting a second local terminal, purchased southern European port facilities, and is developing major ports and a Red Sea-Mediterranean railway with Israel. China also ramped up investments in northern Europe, including a 35 percent share in Rotterdam's

**Economic Security**

Belt and Road is also designed to enhance China's economic security. This effort targets multiple contingencies, but the challenges posed by America remain particularly high among them. Chinese leaders have never forgotten Washington's trade embargo, which lasted from 1950 to 1971, nor its support of Taiwanese operations against Beijing's sea lines of communication in the mid-1950s. The United States became a tacit ally of China in the later decades of the Cold War. However, Beijing's concerns gradually resurfaced following the fall of the Soviet Union. Washington's persistent military encirclement of China, its debates about blockade scenarios, and its Air-Sea Battle Doctrine only aggravated those concerns.

Doubling down on longstanding patterns, Belt and Road targets fast-growing, underdeveloped countries to boost national growth, attenuate industrial overproduction, transition away from a low-cost, low-end production paradigm, and reduce exposure to competitors. This reorientation appears sound — Belt and Road partners' share in global GDP rose from 21 percent to 37 percent from 1995 to 2015. The trade war that the Trump administration launched in mid-2018 gave this process more urgency. However, Beijing's ability to resist pressures is rising. Washington disrupted China's supply chains and businesses, but its measures also hurt American companies and are unlikely to have transformative effects on Beijing's behavior.

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Although Belt and Road reduces Washington's ability to interfere in China's backyard, doing so would have always been highly dangerous given Beijing's nuclear status and growing power.
Euromax terminal.\textsuperscript{102} Finally, the nascent Polar Silk Road could bypass current chokepoints, cut sailing time to rich northwestern European markets, and save Beijing between $533 billion and $1.274 trillion annually.\textsuperscript{103}

In parallel, Belt and Road is betting on roads, railways, and facilities across Central Asia, the South Caucasus, Turkey, and Eastern and Southern Europe. Although most Eurasian economic centers abut coastlines and maritime shipping remains more capable, affordable, and predictable,\textsuperscript{104} land transportation, which is faster than the sea and cheaper than the air, could help the high-tech, fashion, agriculture, and heavy machinery sectors, among others. The digitization of border procedures and the ongoing logistics revolution could boost traffic even further.\textsuperscript{105} Moreover, major hybrid sea-land routes are set to emerge. For example, transportation infrastructure across Greece and the Balkans will link up with the Suez Canal maritime routes to allow products in Beijing to reach northwestern European markets eight to 12 days faster than through the Strait of Gibraltar.\textsuperscript{106}

China is also focusing on energy and food security. Beijing has leveraged America's post-Cold War regional security architecture and the unpopularity of the war on terrorism to nurture its economic presence in the oil-rich Middle East. China's trade in the region grew by 350 percent from 2005 to 2016 and its foreign direct investment reached $29.5 billion in 2016, compared to Washington's $6.9 billion.\textsuperscript{107} Saudi Arabia is gravitating toward Belt and Road: A number of bilateral deals worth $65 billion were signed during King Salman's visit in March 2017 and Riyadh has signed agreements worth $20 billion as a preliminary investment in the China-Pakistan Economic Corridor. Iran, an old ally of Beijing, has enjoyed renewed favors since the signing of the 2015 nuclear deal: China's local foreign direct investment rose 20 percent between March 2014 and January 2018, bilateral trade soared 19 percent from 2016 to 2017, and joint ventures like the North Azadegan and Yadavaran oil fields, estimated at $5 billion, are moving forward.\textsuperscript{108} The Trump administration's recent sanctions have curtailed this momentum; however, Beijing — which may be joined by others, including European countries — is likely to work around them, as it has in the past. Meanwhile, China's noninterference principles have helped to spread its regional influence, as illustrated by the fact that Qatar, Kuwait, Syria, and Iraq support Sino-Iranian ties while Saudi Arabia, the United Arab Emirates, and Israel see Beijing's relationship with, and potential leverage over, Iran as a reason to engage China diplomatically and economically.\textsuperscript{109} Similarly, Beijing is investing in energy assets in Central Asia, Africa, Latin America, Canada, and the Arctic. It has also become the main producer of 23 of the 30

\begin{thebibliography}{100}

\bibitem{103} Anne-Marie Brady, China as a Polar Great Power (Cambridge, UK: Cambridge University Press, 2017), 65.


41 most strategically valuable metals and minerals worldwide. Additionally, Beijing has secured “a lock on supplies of nine of the 10 [metals and minerals] judged to be at the highest risk of unavailability,” and might “lock up ... farmland ... and food processing assets” worldwide. Moreover, China's gains could erode Washington's influence since guaranteeing the “provision of [Middle Eastern] oil” has long given the United States strategic leverage over other countries. Additionally, Beijing has secured “a lock on supplies of nine of the 10 [metals and minerals] judged to be at the highest risk of unavailability,” and might “lock up ... farmland ... and food processing assets” worldwide. However, the impact of these dynamics on American security should not be overestimated. In the first place, although the possibility of imposing a blockade against China has decreased, such a move would have always been highly complex and dangerously escalatory. In reality, the decline of Beijing’s insecurity reduces the risk of war. Moreover, although they have given America some influence, military interventions in the Middle East since the early 1990s have incurred severe costs, destabilized local countries, diverted Washington’s attention away from East Asia, and allowed China to free-ride. Admittedly, the United States retains an interest in the free flow of oil, but so does Beijing. More broadly, America has enough military assets in the region and beyond to deter misbehavior. Therefore, Belt and Road, rather than exclusively posing a threat, might in fact offer Washington an opportunity to rethink how it engages in the Middle East and to cooperate with China in efforts such as countering terrorism and fighting piracy. As for the Chinese challenge in domains like food security, access to key metals and minerals, and influence on other states, a determined geo-economic response would go a long way toward preserving key American interests.

One final way in which China is ensuring its economic security is via its investments in green energy. The Belt and Road Initiative financed “clean” projects worth $11.8 billion in 2015 and 2016, and issued a $2.15 billion climate bond in 2017. Pointing to Beijing’s skyrocketing pollution levels, most observers have castigated Belt and Road as a scheme designed to export polluting industries. These critiques have merit. However, current trends might hide a deeper shift toward renewable energies. Either way, a green Belt and Road would be in Washington’s interest. Although this outcome could potentially allow

Beijing to reduce its dependence on fossil fuels, build resilient infrastructure, curtail the appeal of the American shale gas revolution, dominate emerging industries like electric cars, and command international “regulations [and] pricing policies,” Washington could mitigate those risks by rekindling its own environmental ambitions. More importantly, a green China would more proactively help fight global warming, a threat that should dwarf any other concerns.

Belt and Road could facilitate Beijing’s defense modernization in several ways. Indeed, it overlaps with “Internet Plus,” a plan to integrate new technologies like big data and advanced manufacturing sectors to make China more competitive in the global markets. It also works in conjunction with “Made in China 2025” — a program to dominate high-tech industries, such as semi-conductors, by increasing subsidies and attracting foreign companies that will be squeezed out of the market once their knowledge is extracted.

Industrial-Military Potential

The Belt and Road Initiative is geared toward enhancing China’s industrial-military potential. Although multiple factors drive this effort, the United States looms large. America’s prowess during the 1990 – 1991 Gulf War, the 1996 Taiwan Strait crisis, and the 2003 invasion of Iraq gave Beijing powerful incentives to modernize. Additionally, Chinese leaders have resented Washington’s regular attempts to curtail their country’s progress, including pressuring European allies not to lift their post-Tiananmen embargo on exports of military hardware.

However, significant obstacles remain. Beijing’s state-centric approach is plagued by inertia, talent deficits, intellectual property violations, and rising Western investment-screening mechanisms. Moreover, many foreign firms only use China to assemble components that were manufactured abroad. Yet, the technological gap with the United States is narrowing. Beijing is training more STEM graduates than in the past — a projected 48 million between 2015 and 2030 compared with America’s 10 million for the same time period — attracting more graduate returnees, whose number jumped from 272,900 in 2012 to 432,500 in 2016; progressing in academic rankings;
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and claiming more patents than ever before, with a 28 percent increase between 2016 and 2017. Additionally, its research and development spending could overtake Washington’s by 2022. Furthermore, the huge size of its national market allows China to replicate foreign technology, generate a “learning curve” effect, and collect more data, a crucial asset for artificial intelligence and biotech. Beijing, which accounted for 42 percent of the global digital economy in 2017, could soon dominate underequipped regions like Southeast Asia and the Middle East. The number of Chinese enterprises ranked in a list of the 20 most valuable internet companies worldwide rose from two to nine between 2013 and 2018, and China could be the first major power to roll out 5G technology on a large scale — although recent U.S. sanctions on Huawei might delay that process. Finally, despite new protections, most advanced economies and private companies remain exposed to Beijing’s foreign direct investment, espionage, and commercial appeal, while countries like Israel or Singapore have yet to ramp up their defenses. The security implications of China’s technological progress are significant. Building on the Strategic Support Force, a new branch of Beijing’s military dedicated to electronics, space, and cyber, and capitalizing on its financial reach, civil-military fusion, lesser ethical concerns, and the larger amounts of data that it can collect from its population, China is investing in disruptive technologies like artificial intelligence, quantum computing, and hypersonic weapons that could diminish America’s competitive edge 15 years down the road to win “信息化 war” — conflicts whose outcome will be determined by the mastery of telecommunications and computer systems.

The Digital Silk Road supports these efforts by strengthening the country’s best companies and improving industrial-military espionage. For example, new submarine cable projects — which jumped from representing 7 percent of the world total between 2012 and 2015 to 20 percent between 2016 and 2019 — could boost China’s intelligence and anti-submarine capabilities. Likewise, Belt and Road partnerships help export and upgrade BeiDou, a satellite navigation system that will allow Beijing to “shift away from reliance on [America’s] GPS for precision strike[s]” by 2020.


Progress in China’s military sector is plagued by bureaucratic inertia, welfare and personnel costs, as well as the costs incurred by domestic instability. Moreover, turning economic power into military capabilities becomes more difficult as technological sophistication increases.\textsuperscript{134} Yet Beijing, which allocated only 1.9 percent of its GDP to defense in 2018 — compared with America’s 3.2 percent — has consistently outpaced intelligence forecasts so far, and may soon pull ahead in key domains like artificial intelligence.\textsuperscript{135} Washington, on the other hand, retains significant industrial potential and can build upon the investment stock that it has accumulated since World War II.\textsuperscript{136} However, its defense industrial base “continues to shrink,” per-troop expenditures have soared by 50 percent in 15 years,\textsuperscript{137} and, having “over-invested in legacy systems,” the United States must shoulder “huge financial burdens ... and ... [conservative] constituencies.”\textsuperscript{138} The country’s performance is further hurt by the Trump administration’s poor record on innovation and its strained relations with tech companies.\textsuperscript{139}

### Projecting Strategic Influence

The Belt and Road Initiative not only helps China blunt potential aggressions, it also allows it to project strategic influence at the bilateral, regional, and systemic levels. Although the United States remains dominant on each of those levels, Beijing

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\textsuperscript{136} Brooks and Wohlforth, “The Rise and Fall,” 18–19.


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could gradually erode America’s hegemony and weaken its security system in the Indo-Pacific.

Systemic Benefits

Belt and Road is designed to erode America’s grip on the international governance architecture, a dominance that Beijing has long resented. Chinese-led financial bodies like the Asian Infrastructure Investment Bank, which has a $50 billion endowment and has attracted dozens of states despite U.S. attempts to stop them from joining, or Brazil, Russia, India, China, and South Africa’s (BRICS') New Development Bank, which has a similar endowment, accelerate the momentum generated by the Chiang Mai Initiative — an endeavor that works to decrease regional defaults in partnership with ASEAN, Japan, and South Korea — the Shanghai Cooperation Organization's Interbank Consortium, and maybe soon a non-Western credit rating agency. Additionally, Belt and Road has led to the signature of many bilateral commercial agreements and the creation of China-based international courts for conflict resolution. It boosted negotiations over the Regional Comprehensive Economic Partnership, which could lift the barriers that separate leading Asian economies, including China, India, Japan, South Korea, and ASEAN, on more than 90 percent of the products that they exchange. Finally, Beijing's new Cross-Border Interbank Payment System and clearing centers help internationalize the RMB (or yuan, as it is commonly known). Although this effort is curtailed by capital controls, the Chinese central bank’s lack of independence, Beijing’s investments in U.S. treasury bonds, and the dollar’s domination, the International Monetary Fund added the RMB to its Special Drawing Reserve, and European financial centers are positioning themselves as “hubs” for its use.

Meanwhile, the newly created “petro-yuan” could transform the pivotal worldwide commodity market.

Systemic consequences might follow from the strides Beijing has made. By offering alternatives to loan recipients, promoting infrastructure building, and distinguishing economics from politics, China-led financial institutions, in combination with Chinese bilateral development policies, could slowly weaken the austerity principles that the so-called “Washington Consensus” has dictated for decades. Belt and Road’s commercial agreements could consolidate Beijing’s “agenda-setter” status. Finally, while the RMB may never achieve dominance, it could erode the dollar's supremacy, which is already threatened by America's fiscal deficits and large-scale “economic warfare” with countries like China, Russia, and Iran, not to mention digital currencies and the BRICS’ de-dollarization campaign.

Washington’s security interests may be affected by these dynamics. Thanks to its leadership in international institutions — such as the International Monetary Fund or the World Bank — and its monetary dominance, America became a “system-maker” after 1945. Combined with the appeal of its loans, investments, and market, this status allowed the United States to borrow without consequences, navigate financial crises, offload adjustment costs, dictate lending terms, tame economic competitors, and open foreign markets.

In turn, these gains strengthened the foundations of America’s hard power. They also contributed to weakening Britain’s empire, maintaining Europe and Japan’s strategic dependency, and convincing most allies to fund U.S. military enterprises. They even helped punish Washington’s enemies — for example, Russia following its 2014 military aggression against

145 Stuenkel, Post-Modern World, 150.
As it erodes America’s “system-maker” status, Belt and Road could reduce these benefits.

Eurasian Integration

Belt and Road may help China optimize its geostrategic posture in Eurasia. Breaking with its historical continental orientation, Beijing has significantly developed its sea power following the Soviet breakup, Taiwan’s democratization process, and the growing dependence of the Chinese economy on foreign resources. However, there are a number of challenges to achieving maritime dominance. To begin with, building a fleet is extraordinarily costly. Moreover, many Eurasian land powers over history, including Imperial Germany and the Soviet Union, failed to command the oceans because they faced too many continental contingencies. China faces a similar predicament. It has to cope with a superior U.S. navy that “operate[s] freely on exterior lines.” But it must also protect its vulnerable heartland, and a “March West” helps project influence with less risk of conflict with Washington. Beijing’s current hybrid sea-land posture raises complex dilemmas in domains like threat management and resource allocation. However, provided Chinese leaders utilize the country’s huge national resources effectively, this posture could optimize China’s “independence and geostrategic flexibility.” From that perspective, the nascent strategy of “using the land to control the sea, and using the seas to control the oceans” signals Beijing’s determination to make the most of both its continental depth and its location along the Eurasian rimland.

Belt and Road may contribute to this strategy by facilitating the integration of neighboring economies in Eurasia. Although China has encountered some issues in Central Asia due to local graft, corruption, and politics, bilateral trade, which is 30 times greater than it was in the early 1990s, covers a massive share of these countries’ GDP. Belt and Road infrastructure is also becoming indispensable for them to access markets in the region and beyond. Most importantly, the Ukraine crisis has accelerated the rapprochement that China and Russia had initiated in the post-Cold War era. Indeed, the rift that it caused with the West encouraged Moscow to increase the technological sophistication of its military exports to Beijing, and to endorse Belt and Road, which provides Russia with international legitimacy, lowers its reliance on the West, and fortifies its flailing Eurasian Economic Union. To be sure, the two countries have a long history of strategic competition and Moscow often allied with maritime powers against Eurasian competitors. However, even prominent skeptics recognize that China and Russia “are committed to making things last.” Both Moscow and Beijing uphold an authoritarian model, seek regional counter-terrorism and economic development, aspire to blunt U.S. influence, and want to minimize their border frictions to pursue ambitions elsewhere.

152. Erickson, “Power vs. Distance,” 252.
Additionally, China holds significant leverage over Russia. While their GDPs were similar in 1993, Beijing’s is now more than 10 times greater than Moscow’s. Russia’s dismal infrastructure and energy sector need Belt and Road capital, as illustrated by the 30-year, $400 billion oil deal signed in 2014 and ambitious joint ventures in the Arctic. Besides, Moscow is well aware that China could use its significant demographic superiority to infiltrate and destabilize its neighbor’s thinly populated Far East.  

More broadly, the Middle Eastern oil industries’ growing independence from the West, Iran’s Islamic revolution, the Soviet Union’s unravelling, and China’s and India’s rise opened new opportunities for integration. The resource-rich and capital-rich countries of Eurasia complement one another, which could help lay the foundations of a “new continentalism.” For example, Iran could become a major energy provider for Pakistan and E.U. countries and a critical export outlet for Central Asia and the South Caucasus. This Eurasian integration is accentuated by the European Union’s post-Cold War enlargement eastward; the growing connections between western China’s supply chains and those dominated by Germany in central Europe; and the search for continental connectivity of middle powers such as South Korea, Turkey, and Kazakhstan. This process, which also benefits from the “national and domestic resonance” of the ancient Silk Road in most of these countries, could thrive further under organizations like the Shanghai Cooperation Organization. The latter, whose institutional prerogatives now extend to defense and diplomacy, welcomed India and Pakistan in 2017 and might soon be joined by Iran and Turkey. Likewise, Beijing’s “New Security Concept” for Asia, which stresses economic cooperation and implicitly rejects U.S. involvement, could gain momentum.

These trends could have important security implications. Since the early days of the post-World War II era, fears that a rising hegemon could capture Eurasia’s unmatched resources and markets have led American leaders to forge local alliances and to systematically oppose regional organizations and cross-regional energy networks. These efforts helped entrench Washington’s hegemony and have legitimized its military, political, and economic interferences across Eurasia for decades. But today’s emerging “continentalism” alters this paradigm. Combined with China’s expanding security dialogues with entities such as the Arab League and the African Union and its growing responsibilities at the United Nations, including contributions to the budget and peacekeeping efforts, institutions like the Shanghai Cooperation Organization could gradually weaken America’s ability to isolate its enemies. Belt and Road could ultimately create a “continental zone of pre-eminent Chinese influence” and allow Beijing to concentrate on the seas.

These trends ought to be worrisome for Washington. However, because some of the continental geographic areas coveted by Beijing have less strategic value to American leaders, China’s efforts in those regions might (at least temporarily, but possibly much longer) divert some of its resources away from areas that are of key interest to the United States. Additionally, some of the most proactive and geographically expansive forms of engagement that Washington has adopted in Eurasia in the past led to disasters...
such as the Vietnam and Iraq wars, incurring enormous costs in blood, treasure, and reputation. In that sense, Beijing’s rise could help check the temptation to overreach. Moreover, a less systematic opposition to China may ease bilateral tensions and help advance other American objectives, such as economic development and counter-terrorism.

Moreover, a less systematic opposition to China may ease bilateral tensions and help advance other American objectives, such as economic development and counter-terrorism.

Bilateral Leverage

Belt and Road’s geoeconomic approach also enhances China’s bilateral leverage. Beijing’s ability to coerce other states is constrained by its insufficient, albeit significant, control over Chinese companies and bureaucracies, its competitors’ ability to find alternatives, and financial and reputational costs. Nevertheless, China has had some success steering other countries in its preferred direction. For instance, by cutting oil imports, Beijing was able to drive Iran into the 2015 nuclear deal, which facilitated Belt and Road’s development in Tehran. Similarly, economic pressures convinced Turkey to restrict the activism of its Uyghur community, which had created concerns in China. Likewise, Chinese sanctions targeting South Korea’s installation of America’s THAAD missile-defense system in 2017 persuaded Seoul to reject future deployments of this kind. These coercion efforts could grow as China refines its instruments to target specific companies, institutions, sectors, and “politically salient constituencies.”

However, Beijing’s long-term strategy relies primarily on inducements, long-term engagement, the identification of common goals, and joint solutions that rely on China’s ability to address development gaps. This approach could breed significant influence. For instance, many African and Latin American states tend to align with Beijing at the United Nations, while Taiwan has lost almost a quarter of its diplomatic partners since 2016. More broadly, despite occasional tensions, Asian states already accept most of China’s strategic interests. Over time, more and more world leaders may be tempted to “pre-empt [its] demands” on various issues.

Finally, Belt and Road works in tandem with China’s rising military influence. Beijing has already leveraged U.S. fears of escalation to assert its claims, deploy its assets, and display an image of inevitability in the South China Sea. But Belt and Road complements these dynamics by providing more instruments to pressure or incentivize other states to follow China’s interests without reaching escalatory thresholds. Moreover, the global spread of its national assets requires Beijing to deploy its military and its private defense companies, and to partner with host nations in the arenas of law enforcement, intelligence, and defense. Despite the opening of a base in Djibouti in mid-2017, the dredging of fortified artificial islands in the South China Sea beginning in 2014,
Dislocating the U.S.-Led Maritime Security System

Over time, Belt and Road could heavily impact security dynamics in the Indo-Pacific, the main flashpoint of the U.S.-China contest. Washington has long maintained a robust security system that uses the “energy resources, well-situated ... port facilities, large land masses, sophisticated infrastructures,” and “secure rear-based facilities” of allies and partners in Southeast Asia, East Asia, and the Pacific.\(^\text{177}\) Combined with the “stopping power of water,” this strategy helped contain the Soviet Union and China during the Cold War.\(^\text{178}\) But its importance increased as Asia’s share in the world’s economic output skyrocketed and as Beijing emerged as a potential competitor. China’s key objective today is to break what it sees as America’s strategic island chains to gain room for maneuvering, facilitate the projection of military power, and burnish its credibility.\(^\text{179}\) In response to Beijing’s ambitions, the Trump administration, building on President Barack Obama’s pivot-rebalancing to Asia, revived “the Quad,” a naval partnership with India, Australia, and Japan, in November 2017. It also ramped up its “Freedom of Navigation Operations” in the South China Sea. Additionally, its withdrawal from the Intermediate-Range Nuclear Forces Treaty in February 2019 will allow the United States to upgrade its ground-based missiles, and to expand its firepower across Asia.\(^\text{180}\) However, Beijing’s proximity to the fields of competition means it is more able to absorb setbacks, while America’s distance means it needs key Asian powers to balance or hedge in its favor.

Leading scholars have argued that most local leaders will continue to align with the United States due to the threat posed by China, the path-dependence created by past agreements, and the fact that far-flung sea hegemons often seem more benign than continental neighbors.\(^\text{181}\) Yet, there are reasons to doubt this outcome. Balancing carries with it significant political and financial costs and can hinder strategic autonomy, while domestic strains can stymie its execution.\(^\text{182}\) Moreover, as illustrated by China’s tribute system, balancing theories do not necessarily apply well to Asia.\(^\text{183}\) Furthermore, despite aggressive moves like the establishment of the Air Defense Identification Zone in East Asia in 2013 and island-building in the South China Sea since 2014, Beijing today is a far cry from the threatening regime that fought the United States, South Korea, India, the Soviets, and Vietnam during


the Cold War.\(^{184}\) Additionally, because military systems advantage military defense over military offense, many local states may decide that buck-passing preserves their security more effectively than balancing.\(^{185}\) Finally, most regional leaders are perceiving a “precipitous decline” in America’s influence.\(^{186}\) According to the Rand Corporation’s U.S.-China Military Scorecard, “trend lines are moving against [Washington] across a broad spectrum.” Beijing’s technological progress and ability to deploy assets in more and more massive numbers threaten to overwhelm the United States’ local advantages and could compromise its resolve to fight.\(^{187}\) Such assessments might even underestimate the damage caused by initial Chinese missile strikes, the degree to which America’s submarines are stretched thin across the Pacific Ocean, and China’s mine warfare capabilities.\(^{188}\)

However, recent U.S. defense budget increases are unlikely to change this trend. Washington’s military superiority has been receding for years despite the fact that its overall defense expenditures are more than three times the size of China’s (underreported) budget and that the People’s Liberation Army also has to deal with domestic security. Indeed, while the United States must honor commitments across the globe, Beijing only has to concentrate on its own geographic region. Moreover, America’s security paradigm seems unsustainable. The U.S. Navy’s 355-ship buildup is crippled by severe financial and industrial limitations, the Air Force fleet is older than ever, with the average airframe at 27 years of age, and the modernization of Washington’s satellite system and nuclear triad remains unbudgeted.\(^{189}\) This is not to mention Trump’s tax cuts, with losses expected to reach $260 billion annually,\(^{190}\) sector pensions that remain unfunded and could amount to as much as $5 trillion, and the looming exhaustion of Social Security and Medicare funds. The Congressional Budget Office itself calculates that defense expenditures could fall to 2.6 percent of GDP by the mid-2020s.\(^{191}\) In sum, perceptions of the regional balance of power will most likely continue to shift against Washington, something that the Trump administration’s notoriously erratic and raucous foreign policy only aggravates.

Beijing does not have an easy path ahead. Nevertheless, combined with its diplomatic outreach, propaganda, and military rise, China’s geostrategic offensive seems poised to exploit the underlying strains of the U.S.-led regional security system. From that standpoint, some recent trends are concerning. Although Southeast Asian countries have long hedged with a preference for Washington, Beijing’s ascendancy is increasingly magnifying America’s distance, receding economic clout, and unpopular efforts to promote democracy and Western governance standards locally. Most regional states, including the Philippines, have leaned closer to China since 2016.\(^{192}\)

In East Asia, Japan’s relative assertiveness under Prime Minister Shinzo Abe constitutes “a rear-guard attempt to slow down” Tokyo’s dramatic decline.\(^{193}\) Nearly half of Japanese companies’ overseas operations are located in China, whose share in Tokyo’s exports and imports now reaches 20 percent and 25 percent, respectively, compared to America’s declining shares — 18 percent and 11 percent, respectively. In the last two years, Abe has striven to defuse diplomatic tensions with Beijing,
approved a currency-swap deal worth $29 billion, decided to cooperate with Belt and Road, and distanced his government from Taiwan.\(^{194}\) Similar patterns emerged in South Korea. Trade with China surged 82 percent in five years to hit $90 billion, overshadowing America’s $46 billion. Seoul also tried to delay the deployment of the THAAD missile-defense system, dismissed Washington’s “free and open Indo-Pacific,” and agreed to cooperate with Belt and Road.\(^{195}\)

Further away, Australia has opposed Beijing’s political interference and its influence in neighboring Pacific islands. Yet, bilateral commerce rose 29 percent in 2017 and reached 29 percent of Canberra’s foreign trade in 2018.\(^{196}\) Australia estimates that China’s GDP will far surpass America’s by 2030 — $42 trillion versus $24 trillion — and that domestic politics will inhibit Washington’s response.\(^{197}\) Prime Minister Scott Morrison recently announced a plan to “turbo-charge [the] national effort in engaging China.”\(^{198}\)

India rejected Belt and Road but despite ambitious projects such as the co-development of the Iranian port of Chabahar, it has struggled to offer any alternatives. Moreover, India understands that a close rapprochement with America could curtail its “strategic autonomy,” antagonize China, and disrupt relations with Russia and Iran.\(^{199}\)

New Delhi is the Asian Infrastructure Investment Bank’s main beneficiary, its dismal infrastructure needs investments, and booming trade with Beijing reached a record $84.4 billion in 2017, representing 22 percent of India’s foreign commerce. Combined with other facets of China’s power, such ties incentivize New Delhi to alleviate bilateral tensions.\(^{200}\) Prime Minister Narendra Modi has charted a more nonaligned course since the mid-2017 Doklam plateau standoff, and according to a recent survey, only 43 percent of India’s strategic elites want “closer collaboration with [Washington] in the event of greater U.S.-China competition.”\(^{201}\)

The European Union recently branded Beijing a “systemic rival.” Some of its members, including France and the United Kingdom, have deployed military assets and developed ties with Japan, India, or Australia to address the “return of ... power assertiveness” in the Indo-Pacific. Additionally, more and more European actors have criticized China’s commercial and industrial practices, espionage, and attempts to gain political influence.\(^{202}\) However, their tone is significantly milder than that of American leaders, and Beijing’s economic appeal remains. Despite severe U.S. pressures, many European countries are reluctant

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to exclude Chinese companies from their 5G networks. Beijing’s leaders have also successfully approached some of the region’s smaller states on a bilateral basis, exploiting their economic hardships, rivalries, and resentment toward Brussels to divide and paralyze the European Union.\textsuperscript{203} Italy joined Belt and Road in March 2019, while Brexit prospects boosted the appeal of China’s market in Great Britain, where London’s financial elites have already begun their “rebalancing” toward East Asia and are assisting the Chinese initiative. Finally, despite expressing reservations, the European Union, Germany, and France themselves still intend to engage Beijing, including on Belt and Road.\textsuperscript{204} Meanwhile, prospects of transatlantic convergence are corroded by Trump’s hostility to multilateralism, free trade, environmental regulations, the Iran nuclear deal, and the European Union itself.\textsuperscript{205}

\section*{Conclusion}

It may take decades to parse the strategic consequences of the Belt and Road Initiative. China’s enormous endeavor will undoubtedly inspire more controversies and record more failures. It might even unravel. Yet, its coherence, potency, and resilience should not be underestimated. Belt and Road reflects core aspects of Beijing’s grand strategy and strategic culture. It deftly enhances, publicizes, and knits together China’s geo-economic leverage, industrial-technological capacity, omni-directional diplomacy, propaganda, and military power. If Beijing can make enough adjustments to optimize returns, nurture partnerships, and sustain economic growth, Belt and Road could have far-reaching implications. Some of them may serve American interests. But, if left unchecked, China’s initiative could pull apart the interdependent levers of influence that have underpinned U.S. hegemony in the post-World War II era.

Washington must develop an ambitious response to Beijing. The first step is to restore a sense of domestic bipartisanship, recognizing that a divided America will struggle to maintain credibility and prestige abroad. The second step is to strengthen the economic foundations of the United States’ power. At home, American leaders must boost investments in infrastructure, healthcare, education, and research. They should tighten technology transfer restrictions and ramp up counter-intelligence and cyber defense capabilities.\textsuperscript{206} Cuts in the modernization of America’s overwhelmingly superior nuclear triad may be necessary. Moreover, although occasional operations will always be required, U.S. leaders should wind down what remains of the global war on terrorism, the costs of which have been overwhelming. Likewise, Washington must definitively renounce nation-building, a costly undertaking that has yielded dubious results, diverted America’s resources, and allowed China to increase its clout in Iraq and Afghanistan.\textsuperscript{207} Additionally, the United States ought to rethink its efforts to shrink Russia’s and Iran’s resilient spheres of influence to conserve resources, reduce risks of entanglement, and refocus on Beijing.

Having freed up those resources, Washington should project its geo-economic power more ambitiously. It must re-endorse multilateralism, join the Trans-Pacific Partnership, resume negotiations on the Transatlantic Trade and Investment Partnership, and stop pressing allies on commercial issues. It should also more actively exploit the leverage provided by the shale gas revolution (without neglecting environmental reforms), boost foreign infrastructure financing, and shore up the economies and political systems of key allies, partners, and pivotal states.\textsuperscript{208}

Moreover, Washington ought to pursue “competitive strategies” to “channel [Beijing’s] attention, effort, and resources toward actions

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\item[208] Blackwill and Harris, War by Other Means, 220–50; Friedberg, “Competing with China,” 27, 33.
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Reducing U.S. involvement in Afghanistan, Pakistan, and Central Asia would force China to assume costly responsibilities in its backyard. Likewise, an ambitious, but fair, communication strategy regarding Belt and Road’s abuses could compel Beijing to respond constructively. Similarly, improving relations with Russia and Iran — even to a limited extent — would help exploit their underlying competition for influence with China. By contrast, aggressive policies will only push Moscow and Tehran further into Beijing’s arms.

However, Washington must also recalibrate some aspects of its China strategy toward greater conciliation. It ought to maintain its overall military superiority, support its allies, and deter misbehavior. But its “attack-in-depth” doctrine and its ambition to retain full command of the Indo-Pacific are costly, dangerous, and self-defeating, as illustrated by the steady erosion of U.S. military superiority along China’s coastline. Instead of pursuing an unsustainable posture whose sudden breakdown could dramatically hurt its credibility, the United States should incrementally adapt to the structural evolution of the local balance of power. It should refrain from operations that are too aggressive, disperse some of its assets to reduce their vulnerability to potential Chinese strikes, capitalize on cheap but highly effective anti-access/area-denial capabilities for deterrence purposes, encourage allies to contribute more actively to the regional military balance, and recognize Beijing’s legitimate concerns about American encirclement. These moves may appear to be signs of decline, but combined with the aforementioned geoeconomic measures, they would boost U.S. credibility by consolidating more sustainable positions and tracing a less dangerous path. An aggressive zero-sum-game approach, on the other hand, could increase the risk of war and disincentivize other leaders from high-end collaboration with the United States.

Furthermore, while some aspects of the Belt and Road Initiative must be steadily opposed, U.S. leaders should acknowledge that Beijing has made some positive contributions in the developing world and that their own policies toward those countries have not always been particularly benevolent or flawless. A more open stance may yield Chinese concessions on debt, job creation, and environmental questions, and open up more business deals for American companies. By contrast, systematic attempts to portray Belt and Road as a predatory scheme are likely to isolate the United States.

To be sure, Washington must continue to be vigilant. However, moderation and a keener grasp of the limits of American power would reduce the risk of catastrophic escalation, unlock cooperation opportunities, and maintain the theoretical possibility of a modus vivendi in Asia. These adjustments would help chart a more sensible and sustainable U.S. grand strategy.

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