

ANALYZING BRI AND THE US COUNTER STRATEGIES

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In June 2021, the G7 countries, in cooperation with the Biden administration, launched the Build Back Better World (B3W) initiative, to counter China's Belt and Road Initiative (BRI). The BRI was initiated by China in 2013, aiming to improve connectivity and enhance global trade and economic growth across Asia and beyond. Since its inception, the project has increased China's economic influence on developing countries like Pakistan through projects such as the China-Pakistan Economic Corridor (CPEC) and the Central Asia Economic Cooperation (CAEC).

There are three major motives behind the B3W initiative: first, China's competition with the U.S. Much of China's international trade passes through the Malacca Straits and the coast of Singapore. The second key motive is the building of a sustainable connectivity network to connect China with the world. Finally, it aims to stimulate the economies of China's central provinces by supporting businesses, allocating budgets generously, and encouraging businesses to compete for BRI projects.

The U.S. Response to BRI

The U.S. views the BRI with scepticism and concern, considering it a 'Chinese Marshall Plan'¹ through which China converts its economic strength into geopolitical clout. This initiative influences Eurasia, the Indo-Pacific, the Middle East, and Africa through global shipping routes, promoting a Chinese

¹ Minhao Zhao, "The Belt and Road Initiative and China-US Strategic Competition," *China International Strategy Review* 3, no. 1 (2021): 102-123, <https://doi.org/10.1007/s42533-021-00087-7>

version of globalization. The success of BRI has shifted U.S. foreign policy priorities making China a central challenge and a comprehensive global competitor in technology, diplomacy, security, and the economy.

Successive U.S. administrations have introduced multiple policies and strategies related to democratic governance, security, and the economy to counter the BRI to encourage and mobilize private investments and enterprises to engage in competition with Beijing, like the Enhancing Development and Growth through Energy (EDGE) initiative.

B3W

B3W is a value-driven, market-led, high-standard, and transparent infrastructure partnership aimed at countering the BRI through the participation of developed nations to support development in developing nations.

The current U.S. administration has adopted a more complex approach by emphasizing 'pragmatic and result-oriented' diplomacy towards China. The current U.S. concept of the U.S.-China competition heavily emphasizes ideology and considers it a competition between two different political systems.² The ultimate goal of this competition is to restore U.S.-style democracy and highlight U.S. superiority while competing with China. The Biden administration advocates that the B3W in comparison to the BRI is more climate and environment-friendly and focuses on human development. The four priority pillars of B3W include:

1. Tackling global warming and the global energy crisis by using climate-friendly infrastructure and energy transformation technologies to achieve the goals of the Paris Climate Agreement.
2. Expanding and developing secure ICT networks and infrastructure for better digital economic development and cybersecurity.
3. Providing job opportunities, participation initiatives in social activities, and fulfilling basic sanitation needs.
4. Improving global health security through investments in hospitals, labs, and the health workforce; vaccine manufacturing; disease surveillance; and early warning systems.

² Minhao Zhao, "The Belt and Road Initiative and China-US Strategic Competition," *China International Strategy Review* 3, no. 1 (2021): 102-123, <https://doi.org/10.1007/s42533-021-00087-7>

In cooperation with G7 countries, the U.S. aims to mobilize \$600 billion by 2027 in global infrastructure investments through like-minded partners, multilateral development banks, and others.³ Over the past year, the U.S. government and G7 members have expanded their support to multiple projects under B3W globally. A few examples include:⁴

- In sub-Saharan Africa, USAID is collaborating with Power Africa to build public-private partnerships ensuring access to internet services and clean electricity at healthcare centres.
- An alliance model proposed by the Healthcare Electrification and Telecommunication Alliance (HETA) aims to provide electricity to 10,000 healthcare facilities in the coming five years.
- The initial project of B3W aimed to limit the spread of the coronavirus. For this purpose, at least 1 billion doses of vaccines were provided to the COVID-19 Vaccines Global Access (COVAX) initiative.
- First Solar made a \$500 million investment to support a new photovoltaic solar module manufacturing facility in Tamil Nadu, India aiming to ensure transparency and traceability in the renewable energy sector.
- To support the mission of strengthening women's health services, the United States International Development Finance Corporation (DFC) announced a \$31 million loan to GIP Medicina Diagnostica, Brazil to support the underserved population of Brazil.

Challenges to B3W

B3W, initially launched as the Build Back Better World initiative, was later renamed the Partnership for Global Infrastructure and Investment (PGII). The Biden administration has yet to release further details of PGII, leading to scepticism from the global community. To effectively compete with the BRI, B3W needs to shift global focus towards itself, a significant goal requiring support from G7 national governments and various private enterprises. However, B3W faces several challenges:⁵

³ Arhama Siddiqa and Syed Qandil Abbas, "A New Facet to US-China Rivalry: Build Back Better World versus Belt and Road Initiative," *Margalla Papers* 26, no. 2 (2022): 1-13, <https://doi.org/10.54690/margallapapers.26.2.109>

⁴ "Fact Sheet: President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment," *White House*, June 26, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment/>

⁵ "Build Back Better World (B3W) Initiative," *Drishti IAS*, September 29, 2021, <https://www.drishtias.com/daily-news-analysis/build-back-better-world-b3w-initiative>

- *Funding uncertainty:* There is ambiguity regarding the total investment required from each G7 member.
- *High Standards of PGII:* PGII is guided by principles including environmental protection, financial stability, and labour rights. These stringent conditions may deter participation from developing countries.
- *Insufficient Private Sector Incentives:* The incentives provided by the Biden administration are perceived as inadequate to encourage robust private sector involvement.
- *Priority Disagreements among G7 Members:* G7 countries have differing views on regional priorities. Europe favours African countries, Japan focuses on the Asia-Pacific region, while the U.S. emphasizes Latin America and the Caribbean.

Analysis

While China prioritizes multiple sectors under the BRI umbrella, B3W's prime focus is on climate change, gender equality, digital technology, and health security development. Despite their differences, both initiatives espouse liberal values: China portrays BRI as an open and inclusive framework, while B3W aims to unite civil society, the private sector, and governments.

The BRI is financed by the Chinese state and has facilitated stable progress in strategic infrastructure, developmental as well as connectivity projects since its inception. In contrast, B3W relies on private sector investment, which faces reluctance due to economic and political risks in developing countries. Due to the presence of multiple partners in the B3W initiative the U.S. has struggled repeatedly to put the project on the ground and move ahead. Over a few years, the initiative itself has been rebranded from B3W to Partnership for Global Infrastructure and Investment (PGII). However, the initiative remains at a standstill.

China's centralized decision-making process integrates BRI into its foreign policy. Meanwhile, B3W encounters challenges in U.S. domestic politics as well as bilateral politics with the countries involved. Member states of B3W also clash over regional priorities and investment strategies hindering its continuity and growth. These challenges highlight the complexity and hurdles facing B3W as it seeks to establish itself as a viable alternative to the BRI at a global level.

Conclusion

The Chinese government has welcomed B3W, noting its alignment with BRI cooperation principles.⁶ Beijing emphasizes BRI's openness and inclusivity, expressing a willingness to collaborate with B3W to support countries' mutual interests, uphold high environmental standards, ensure sustainability, and promote global prosperity and development. In the globalized world of today, countries compete more in terms of economics and soft power rather than conventional warfare, utilizing military forces primarily for deterrence.

⁶ Vinod K. Aggarwal and Margaret A. T. Kenney, "Great Power Competition and Middle Power Strategies," *Springer*, November 2023, <https://doi.org/10.1007/978-3-031-38024-2>