READING THE BELT AND ROAD TEA LEAVES: AGGRESSION, EXPLOITATION, OR PROSPERITY?

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At the Belt and Road Forum in Beijing in May 2017, Chinese President Xi Jinping attempted to reassure the world that his trillion-dollar Belt and Road Initiative (BRI) was not a scheme for world domination, but instead a responsible plan to foster prosperity across Asia, Africa, and Europe. He emphasized, "We have no intention to interfere in other countries' internal affairs, export our own social system and model of development, or impose our will on others."

Recently, US Secretary of State Mike Pompeo has been making the rounds touting a US vision for a "free and open Indo-Pacific," outlining it in a speech at the US Chamber of Commerce in July. This month, Pompeo laid out this vision during the ASEAN Foreign Ministers' Meeting in Singapore. Explaining the US understanding of a "free and open Indo-Pacific," Pompeo stressed that it involves respect for nations' sovereignty, freedom from outside coercion, and open access to international seas and airways.

Xi and Pompeo offer two different visions of the future for the Asia/Indo-Pacific. They ostensibly espouse many of the same values and goals but originate from opposite perspectives about which country should take a leading role. China has a head start, having already made massive investments in Asia and Africa. The US, meanwhile, just announced a $113 million infrastructure investment initiative in Asia, a figure that simply cannot compete, and a sign that the US will not be able to muster the same force of will in planning and execution that China's single-party government can manage.

China's investments are by no means a secret, but the lens through which one views them contributes to how other countries may react. Two viewpoints on the BRI have already emerged. One view is that China, through its massive investments and increased military spending, is seeking to dominate the region, isolate its rivals, subordinate African and Southeast Asian nations to tributaries, and remake the world order in its own image. The other (not mutually exclusive) lens is that China's investments amount to predatory lending to poorer nations. Recipients end up relinquishing control to China, creating economic colonies from which China can import cheap goods, while flooding them with Chinese exports and workers to maintain its rapid growth.

What if, however, we take Xi's words at the 2017 forum seriously? What does the BRI look like then? China wants what every nation wants: security and prosperity for its people. Through a third, less threatening lens we might see China's actions as part of a strategy to ensure sustained growth, leveraging mutually beneficial partnerships to grow a Chinese middle class with the same prosperity and security enjoyed in the US and Western Europe. The lens or combination of lenses through which one views China's actions are instrumental to the US and its allies in designing a comprehensive regional strategy, and all of them, therefore, require analysis.

Through the first lens, the "String of Pearls" theory, first introduced in the mid-2000s, is becoming a reality. China is seeking to extend its military power to the Middle East and Africa by building a series of ports and bases to protect its supply lines and deter the US and its allies. China's militarization of the disputed South China Sea is evidence supporting this theory. The opposite end of the string is China's naval base in Djibouti. In between, China could solidify its military presence by basing troops and ships at leased ports in Hambantota, Sri Lanka, and Gwadar, Pakistan.

India, having fought a border war with China in 1962 over territory still disputed today, could be strangled by the BRI. Furthermore, China has demonstrated not just aggressiveness but also capability, making advancements in anti-ship missiles, its navy, and air force in an effort to deter the US. China demonstrated some of its advancements in Libya in 2011 when it conducted large-scale evacuations of its overseas worker population more quickly than other nations could react to the crisis. There is growing concern among the US and its allies that the Chinese military is a threat; some believe that war is either possible or inevitable.

The second lens sees Chinese infrastructure investment in Africa and Asia as "debt trap diplomacy," under which China lends billions of dollars to developing nations for BRI projects, knowing these nations cannot repay them. Faced with mounting debt, those nations are forced into exploitative economic concessions to Beijing. Evidence of this theory can be found from Sri Lanka to Kenya to Angola.

Sri Lanka has gone deep into debt building the Hambantota Port as part of the BRI, with the port failing to generate enough revenue since its completion because of the existing port in Colombo. Sri Lanka has since granted a 99-year lease of the port to China to ease its debt burden. Angola is paying back its $25 billion debt to China with crude oil. In Kenya, 72 percent of its foreign debt is owned by China, which financed the new Nairobi-Mombasa railway, built and still operated by Chinese workers.

China has been able to reach such unequal deals because Chinese loans appear more attractive to developing nations, coming without many of the conditions required by international lenders like the World Bank and the Asia Development Bank. Nations can thus be lured in with easy financing, only to have their debt leveraged against them later. They are forced to cede control of completed BRI projects to China, which then reaps most of the benefits.

Viewing the situation through the third lens, however, China is not an aggressor planning for military dominance or a predatory lender, but a country committed to a plan for sustained, mutually beneficial growth. China's export-driven growth cannot last forever; knowing that it must foster an economy of strong domestic consumption, the Chinese government is building symbiotic international trade relationships. Developing nations receiving Chinese financing are able to industrialize and grow their economies through exports to China, while China is able to lower consumer prices by outsourcing production and enlarging its services sector. Given that the BRI requires the cooperation of 70 nations, one could argue it would be impossible for China to achieve anything without actual goodwill and mutually beneficial outcomes. One could further argue that China's economic rise has not come at great expense to the US; the US share of global exports has decreased, but most of its economic indicators continue to rise. Disputed territory is not necessarily a sign of aggression; historical memory and national pride make it difficult for any country to back down from a confrontation.

China's Belt and Road Initiative has so many moving parts that the above developments can be cause for either concern or optimism. China's intentions most likely lie not in any one lens but in some combination of the three. Some indicators, however, identify which lens may be more accurate than others. If developments in Gwadar and Hambantota take on a military tone, it may be a sign that China intends to adopt a more aggressive stance beyond its demonstrated belligerence in the South China Sea. Beijing's treatment of its African debtors is another indicator; debt relief or cooperative refinancing would signal a plan for sustained and responsible growth, while increasingly draconian deals would be proof of exploitation. In any case, the advice of China scholar Thomas Christensen is a good starting point for planning: increased cooperation with China backstopped by credible strength. This approach would encourage China to act responsibly while also deterring overt aggression. Currently, however, the US, its allies, and other nations in the region are just reacting to China's BRI plans. Without a proactive strategy, all the potential outcomes described above remain possible.