

FORUM: Economic and Financial Committee (GA2)

QUESTION OF: Addressing the economic inequities by China's Belt and Road Initiative

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POSITION: Deputy President

INTRODUCTION

China's Belt and Road Initiative (BRI) is an infrastructure project which aims to enhance trade across continents, specifically Asia, Europe, and Africa. It primarily consists of the Silk Road Economic Belt and the 21st Century Maritime Silk Road. These two components allow BRI to connect Eurasia, the Middle East, Asia, and Central Asia, through rail-based land routes (Silk Road Economic Belt), and East Asia, South Asia, the Middle East, and Africa, through expanded sea routes (Maritime Silk Road). The project was announced by President Xi in the speeches he made in Kazakhstan and Indonesia, and launched during 2013, under the name One Belt and One Road Strategy (OBOR), making reference to the Economic Belt and the Maritime Road. It was renamed three years later (2016) as "Belt and Road Initiative (BRI)" in order to avoid suspicions of it being a political agenda, and rebranding it as more inclusive.



This infrastructure is based on five priorities; namely: policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bond. The above have helped create the vision of a united global community.

Many social, financial, political, and environmental inequalities are caused by BRI. China is suspected for having developed a debt trap diplomacy, and using the initiative to make

Less Economically Developed Countries (LEDCs) financially dependent on the country.

DEFINITION OF KEY TERMS

Belt and Road Initiative (BRI)

“China’s Belt and Road Initiative (BRI) (一帶一路) is a strategy initiated by the People’s Republic of China that seeks to connect Asia with Africa and Europe via land and maritime networks with the aim of improving regional integration, increasing trade and stimulating economic growth.”¹

Debt-Trap Diplomacy

“Debt-trap diplomacy is a term used to define a creditor nation or establishment extending loans to a borrowing nation in order to expand the lender’s political leverage. This form of diplomacy entails providing projects/loans with too challenging terms for borrowing states to pay back, ultimately forcing them to accept economic or political concessions. Simply put, the debt trap is a position in which someone is forced to overspend on loans in order to pay back their existing debts.”²

Silk Road Economic Belt

“A trans continental passage that links China with south east Asia, south Asia, Central Asia, Russia and Europe by land”³

21st Century Maritime Silk Road (MSR)

“The 21st Century Maritime Silk Road is a key component of China’s Belt and Road Initiative, a major development plan that aims to connect China with the rest of Asia, Africa, and Europe.”⁴

Debt Sustainability

“A country’s public debt is considered sustainable if the government is able to meet all its current and future payment obligations without exceptional financial assistance or going into default.”⁵

¹ “Belt and Road Initiative (BRI).” *European Bank for Reconstruction and Development (EBRD)*, <https://www.ebrd.com/what-we-do/belt-and-road/overview.html>. Accessed 9 August 2024.

² Ajnoti, Rahul. “The Complete Story of Debt-Trap Diplomacy.” *The Geopolitics*, 11 October 2022, <https://thegeopolitics.com/the-complete-story-of-debt-trap-diplomacy/>. Accessed 16 August 2024.

³ “Belt and Road Initiative (BRI).” *European Bank for Reconstruction and Development (EBRD)*, <https://www.ebrd.com/what-we-do/belt-and-road/overview.html>. Accessed 11 August 2024.

⁴ “Maritime Silk Road.” *UN Tourism*, <https://www.unwto.org/maritime-silk-road>. Accessed 16 August 2024.

⁵ “Back to Basics: What is Debt Sustainability? – IMF F&D.” *International Monetary Fund (IMF)*, <https://www.imf.org/en/Publications/fandd/issues/2020/09/what-is-debt-sustainability-basics>. Accessed 11 August 2024.

Social Safeguards

“Social safeguard policies are essential tools to prevent and mitigate undue harm to people during the development process. When identifying and designing a project, safeguards should help assess the potential social risks and impacts (positive or negative) associated with a development intervention.”⁶

Economic Corridor

“Economic corridors connect economic agents along a defined geography. They provide connection[s] between economic nodes or hubs, usually centred on urban landscapes, in which large amounts of economic resources and actors are concentrated. They link the supply and demand sides of markets.”⁷

Capital flows

“The movement of money for the purpose of investment, trade, or business production across international borders.”⁸

BACKGROUND INFORMATION

Historical overview of the Belt and Road initiative

China’s Belt and Road Initiative is a modern recreation of the historic trade route called the “Silk Road” or “Silk Route”. The Silk Route was created during the Han Dynasty, but reached its peak of popularity during the years 618-907 A.D. of the Tang Dynasty. Through the route, the trade of fabrics, such as silk (hence the name “Silk Road”), spices, fruits, wood, metalwork, animal hides, and items of value, such as precious stones, became more facile. The route consisted of land roads and maritime paths that connected Asia, the Middle East, and Europe. Along the route, it was common to find markets and trading posts that were mainly used for storage. Because of the Silk Road, products

⁶ “Social Safeguards | Investment Learning Platform (ILP).” *Food and Agriculture Organization of the United Nations*, <https://www.fao.org/investment-learning-platform/themes-and-tasks/environmental-social-safeguards/social-safeguards/en/>. Accessed 11 August 2024.

⁷ “What is Economic Corridor Development and What Can It Achieve in Asia's Subregions?” *Asian Development Bank*, <https://www.adb.org/sites/default/files/publication/100110/reiwp-117-economic-corridor-development.pdf>. Accessed 14 August 2024.

⁸ Scott, Gordon. “Capital Flows: Definition and Examples of Fund Movement.” *Investopedia*, 22 May 2024, <https://www.investopedia.com/terms/c/capital-flows.asp>. Accessed 4 September 2024.

such as gunpowder and paper, which originated from China, were brought to the western world, which significantly impacted its history. The Road was also used as a means to spread Buddhism, Christianity, Islam, and Hinduism, and it contributed to the advancement of science, technology, literature, and arts.

In 2013, China's President Xi Jinping decided to revive the Silk Road, by creating a similar project, customised to function properly in today's society, called the "Belt and Road Initiative", which is sometimes referred to as the "New Silk Road". This restoration cost approximately \$900 billion. Its goal is to contribute to the development of China's interconnectivity with numerous countries, ameliorate domestic growth, and facilitate China's exports.⁹

Positive Impacts

BRI's infrastructure has helped improve the life quality of people in the Asia-Pacific region. BRI has increased availability of new working positions, and educational resources and experiences. However, the most significant benefits of the project is the boosted trade flow in all 150 countries that have signed Memorandums of Understanding (MoUs), along with the reduction of the cost of global trade by 2.2%, but also the increase in the yearly global Gross Domestic Product by 2040 caused by BRI, which is estimated to be around \$7.1 trillion.¹⁰

Debt Distress

Due to China's advanced economy, the country often gives loans to developing countries in order to fund infrastructure projects. However, these loans are difficult to repay, because the borrowing country must pay both the original sum borrowed, and the interest.¹¹ Thus the borrowing country, which is usually an LEDC, becomes dependent on China (the lending country). This isn't coincidental; it is an occurrence that has happened numerous times. As a result, it is believed that China uses debt dependency as a strategy to obtain economic power over other governments. Sometimes, the final phase of this phenomenon is a debt-for-equity swap, in which case the borrowing country transfers infrastructure, or some other asset of the state, to the lending country

⁹ "Silk Route: Definition, History, and What Exists Now." *Investopedia*, <https://www.investopedia.com/terms/s/silk-route.asp>. Accessed 4 September 2024

¹⁰ Chiu, Ethan. "Environmental Implications Of The Belt And Road Initiative: Geopolitics And Climate Change - The Yale Review Of International Studies." *The Yale Review of International Studies*, 10 November 2022, <https://yris.yira.org/column/environmental-implications-of-the-belt-and-road-initiative/>. Accessed 16 August 2024

¹¹ "Finance 101: Understanding Debt Servicing Cost: An Essential Indicator for Fiscal Policy." *Fire Capital Management*, <https://www.firecapitalmanagement.com/finance-101/understanding-debt-servicing-cost-an-essential-indicator-for-fiscal-policy>. Accessed 16 August 2024.

(China), in order to decrease the debt owed. This strategy is called Debt Trap Diplomacy, and is often considered to be an economic instrument of foreign policy.¹²

The consequences of such a policy are detrimental for Low- and Middle-Income Countries (LMICs) that are in debt distress. Examples of such consequences are poverty, fragility, and political instability. Inevitably, 3.3 billion people¹³ are living in difficult conditions, due to their countries spending their taxes primarily on interest payments instead of health or education. As a result these states are financially and politically incapable of combating climate change, which in turn leads to mass migration to Europe and North America.

Reducing poverty would benefit LMICs, but also wealthy nations. If Low- or Middle-Income Countries grew in terms of income, their imports would be increased and their demand for development aid would be reduced. Consequently, wealthy nations would have more tax money to spend for the nation itself, rather than loan it to less wealthy states.¹⁴

China's BRI is considered a development finance scheme by some Western states; it is viewed as a project to enhance China's Debt Trap Diplomacy. This can be justified by taking into account the fact that LEDCs that are being turned down by Western nations and financial institutions resort to being assisted by the BRI to fund important infrastructure projects. Since the launch of BRI, ⅔ of China's loans to LEDCs are to states in debt distress. Additionally, BRI is officially a part of the Chinese Communist Party's constitution, as of 2017. Hence, it is widely believed that the Belt and Road Initiative is an instrument used by the General Secretary of the Chinese Communist Party, Xi Jinping, to expand China's sovereignty and political influence.¹⁵

Consequences

Economic Inequities

The Belt and Road Initiative leads to numerous economic inequities within the People's Republic of China, but also in other states that are connected to the BRI. China is facing a significant problem of income inequality, given that one third of the state's wealth is owned solely by 1% of its households. This problem could be limited or at least reduced if the gains of the initiative were

¹² Mamchii, Oleksandra. "China's Debt Trap Diplomacy: Reality or Myth in 2024." *Best Diplomats*, 23 June 2023, <https://bestdiplomats.org/china-debt-trap-diplomacy/>. Accessed 15 August 2024.

¹³ "A world of debt 2024 | UNCTAD." *unctad*, <https://unctad.org/publication/world-of-debt>. Accessed 2 September 2024.

¹⁴ Hogan, Erica. "Why Debt Relief Matters to the Wealthy West." *Carnegie Endowment for International Peace*, 17 January 2024, <https://carnegieendowment.org/research/2024/01/why-debt-relief-matters-to-the-wealthy-west?lang=en>. Accessed 16 August 2024.

¹⁵ Green, Mark A. "Debt Distress on the Road to 'Belt and Road.'" *Wilson Center*, 16 January 2024, <https://www.wilsoncenter.org/blog-post/debt-distress-road-belt-and-road>. Accessed 16 August 2024.

adequately distributed within China's citizens. However, this is not the case; instead, there is a minimal amount of attentiveness in regards to an equitable redistribution of income. This results in poverty, migration, wage inequalities, long-term unemployment, and, finally, civil unrest. Furthermore, there is also a lack of attention paid in non-income related aspects, which means that the government does not invest BRI gains to develop accessible healthcare, education, a better tax collection system, social security, and ameliorated judicial capabilities. This phenomenon takes place, not only in China, but also in most countries that are involved with the BRI. Due to this system of wrongful distribution, it is obvious that excessive trade may lead to expansive disparity.¹⁶

Moreover, many concerns have been raised about China's investments abroad that are connected to the BRI, due to capital flows being secretive, to be more precise, capital flows are controlled by the Chinese central bank, or state-owned companies, of which both are government actors. Additionally, roughly 50% of all lending is reported to the International Monetary Fund (IMF), the World Bank, or some other common statistical forum. This low level of transparency is most probably related to China's debt trap diplomacy. Studies show that 10 to 15 countries are at risk of a consequential debt crisis because of the Belt and Road Initiative. Despite all of the above, Chinese loans are more easily accessible to borrowers, which is why many countries prefer to borrow from China.¹⁷

Environmental Damage

In 2017 China's BRI was rebranded as a green initiative, but its environmental implications prove otherwise. Due to the BRI, 80% of China's overseas energy investments are fossil fuels, and solely 3% are solar and wind energy. In addition, through the BRI, the People's Republic of China conducts projects that harm the environment.

After facing a lot of pressure to reduce the BRI's environmental damage, China has made some reforms to do so; however, they haven't been properly implemented. Firstly, even though President Xi Jinping announced a commitment to end BRI coal projects towards the end of 2021, Chinese banks continue to financially assist at least 70%¹⁸ of coal power plants globally through the Belt and Road Initiative.

¹⁶ Himaz, Rozana. "Challenges associated with the BRI: a review of recent economics literature." *UCL Discovery*, https://discovery.ucl.ac.uk/id/eprint/10134886/9/Himaz_ACCEPTED.pdf. Accessed 4 September 2024.

¹⁷ Li, HE. *The Belt and Road Initiative: Economic Causes and Effects* Fredrik Sjöholm, 2022, <https://www.ifn.se/media/ijudb5n0/wp1439.pdf>. Accessed 4 September 2024.

¹⁸ "Here are the proposed coal power plants China is bankrolling around the world." *Quartz*, <https://qz.com/1760615/china-quits-coal-at-home-but-promotes-the-fossil-fuel-in-developing-countries>. Accessed 22 September 2024.

Moreover, through another BRI initiative, the Polar Silk Road, which even though is funded by China, is located in Russia, the two countries have access to about \$35 trillion worth of oil and gas.¹⁹ Contrary to China's environmental goals, the country will continue to invest an excessive amount of money into the Polar Silk Road. Finally, taking into account China's actions to decrease BRI's environmental damage, it is obvious that the country prioritises financial wealth over environmental protection.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

China

The BRI initiated by the People's Republic of China is argued to be a stepping stone of the Chinese Communist Party (CCP) as it forms a major aspect of President Xi's "Major Country Diplomacy".²⁰ In addition, the BRI has been an incredible benefit to Chinese markets for goods and services, through increased commerce and production thanks to the initiative, and enhancing investment. The BRI has allowed China to have cheap access to much energy, especially coal energy, and enhance the trade of goods produced in China, therefore helping the country augment its profit. Due to this extra profit, the state funds and invests in more projects than would be possible without the BRI. It has greatly helped China in socio-economic factors, and has improved China's relations with other nations, enhancing the country's geo-political influence.

Sri Lanka

Sri Lanka and China share great economic relations. China has become a significant economic partner of Sri Lanka, and has been helping the country develop new, greater infrastructure. Due to the country's geographical location, Sri Lanka has become a hub facilitating easy transport of goods from China to Sri Lanka, and other states farther away. China has invested in a number of great mega projects in Sri Lanka in order to develop the connectivity of Sri Lanka with the rest of the world, this goes under the objectives of BRI more specifically concerning connectivity. A great amount of BRI investments in Sri Lanka have been to help this maritime effort and a number of major infrastructure projects have been kicked off. Through this, Sri Lanka has been able to secure a significant amount of money, solely because of China's BRI.

¹⁹ Chiu, Ethan. "Environmental Implications Of The Belt And Road Initiative: Geopolitics And Climate Change - The Yale Review Of International Studies." *The Yale Review of International Studies*, 10 November 2022, <https://yris.yira.org/column/environmental-implications-of-the-belt-and-road-initiative/>. Accessed 22 September 2024.

²⁰ "Belt and Road Initiative." *Wikipedia*, https://en.wikipedia.org/wiki/Belt_and_Road_Initiative. Accessed 17 August 2024.

Pakistan

Pakistan’s relevancy to BRI is caused by the China-Pakistan Economic Corridor (CPEC). Pakistan has greatly benefited from the BRI. The change that the initiative brought upon is very noticeable; areas have been upgraded, poverty has decreased, unemployed Pakistani people have found jobs, livelihoods have been improved, and power outages in peak season have been limited. Recognising this advancement, the country remains committed to China’s BRI.²¹ On the other hand, the BRI project in Pakistan is completely lacking transparency.²² This, alongside Pakistan’s rising debt, is raising a lot of concerns regarding whether the BRI projects will truly benefit the country in the long run. It is believed that the initiative may result in the intensification of social divisions, political unrest, conflict and violence within the state of Pakistan.²³

Asian Infrastructure Investment Bank (AIIB)

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank, which works with members from all around the world, and, similarly to the BRI, its goal is to develop Asia’s economy, and ameliorate infrastructure connectivity.²⁴ It was proposed by the same Chinese leader under whom the BRI was launched, namely Xi Jinping, in 2013, and it began operating by the beginning of 2016. Due to their similar objectives, it makes sense that the bank and the initiative collaborate; in a sense that the AIIB advises BRI members on their policy, but most importantly, it funds most of the infrastructure projects that are managed by the BRI.

TIMELINE OF EVENTS

Date	Description of Event
206 BCE-220 CE	Westward expansion of China’s Han Dynasty, developed the original of Silk Road ²⁵

²¹ Ahmed, Jamil. “BRI cooperation with China 'transformational' for Pakistan: Ambassador | english.scio.gov.cn.” *State Council Information Office*, 14 March 2022, http://english.scio.gov.cn/m/beltandroad/2022-03/14/content_78107057.htm. Accessed 17 August 2024.

²² Fragkos, Dimitrios. *The consequences of China's Belt and Road Initiative*. 30 August 2023. DSA-MUN, <https://www.dsamun.gr/archives/26th-conference-2023/study-guides/457-economic-and-social-council-the-consequences-of-china-s-belt-and-road-initiative/file>. Accessed 17 August 2024.

²³ “Opportunities and risks – the China-Pakistan trade corridor.” *The World Economic Forum*, 3 July 2018, <https://www.weforum.org/agenda/2018/07/opportunities-and-risks-the-china-pakistan-economic-corridor/>. Accessed 4 September 2024.

²⁴ “About AIIB.” *Asian Infrastructure Investment Bank*, <https://www.aiib.org/en/about-aiib/index.html>. Accessed 4 September 2024.

²⁵ Maizland, Lindsay, and Andrew Chatzky. “China's Massive Belt and Road Initiative.” *Council on Foreign Relations*, 2 February 2023, <https://www.cfr.org/backgrounders/chinas-massive-belt-and-road-initiative>. Accessed 17 August 2024.

September 2013	The Silk Road Economic Belt as a concept was introduced by President Xi. ²⁶
October 2013	President Xi proposed a close-knit China-ASEAN community with guidance on making a 21st Century Maritime Silk Road to promote maritime cooperation. ^{27,28}
November 2013	3rd Plenary Session of the 18th Central Committee of the Communist Party of China called for encouraging infrastructure links and facilitating the BRI. ²⁹
November 2014	President Xi announced that China will contribute \$40 billion to set up the Silk Road Fund. ³⁰
December 2014	The Central Economic Work Conference priority was the implementation of the Belt and Road initiative. ³¹
January 2015	AIIB founding members, many of which are important countries along the Silk Road routes, reached 26. ³²
February 1, 2015	Meeting attended by senior leader Zhang Gaoli, China sketched out priorities for the Belt and Road initiative. ³³

²⁶ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

²⁷ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

²⁸ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

²⁹ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³⁰ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³¹ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³² "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³³ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

March 8, 2015	Foreign Minister Wang Yi dismissed comparisons of the initiative to the US-sponsored Marshall Plan. ³⁴
March 28, 2015	The National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce together put out an action plan on the principles, framework, and cooperation priorities and mechanisms in the BRI. ³⁵
2015	Rebranding of the BRI as a green Silk Road or green BRI ³⁶
October 2017	BRI is written into the Communist Party's constitution ³⁷
2021	Policy guidelines issued by the Ministry of Commerce to follow international environmental standards in overseas projects.
November 2021	New mantra for BRI projects was announced: small and beautiful ³⁸

UN INVOLVEMENT: RELEVANT RESOLUTIONS, TREATIES AND EVENTS

The Paris Agreement

The Paris Agreement is a legally binding international treaty on Climate Change which was signed in Paris, France on 12 December 2015 and entered into force on 4 November 2016. The treaty's objectives are to reduce the global greenhouse gas emissions.³⁹

³⁴ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³⁵ "China unveils action plan on Belt and Road Initiative." *The State Council of the People's Republic of China*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/03/28/content_281475079055789.htm. Accessed 16 August 2024.

³⁶ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³⁷ "Chronology of China's Belt and Road Initiative." *ENGLISH.GOV.CN*, 28 March 2015, https://english.www.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm. Accessed 17 August 2024.

³⁸ Wang, Christoph Nedopil. "Ten years of China's Belt and Road Initiative (BRI): Evolution and the road ahead." *GREEN FINANCE & DEVELOPMENT CENTER*, 12 October 2023, <https://greenfdc.org/ten-years-of-chinas-belt-and-road-initiative-bri-evolution-and-the-road-ahead/?cookie-state-change=1723840199819>. Accessed 17 August 2024.

³⁹ "The Paris Agreement | United Nations." *the United Nations*, <https://www.un.org/en/climatechange/paris-agreement>. Accessed 17 August 2024.

As a result, China has been pressured to limit its cement production. In order to make it seem like China is acting in accordance with the Paris Agreement, the country has been unloading coal energy to developing countries. Often, they are financially and politically incapable of controlling this unwanted coal energy, since China neither takes any accountability nor financially helps these states. Additionally, China is expected to produce more cement through the BRI, which may lead to more offloading of cement to LEDCs. As a result, these developing countries face even more financial difficulties due to their efforts to manage this coal energy.

General Assembly Resolution A/RES/70/1⁴⁰

This resolution was adopted by the General Assembly on 25 September 2015. It holds 17 Sustainable Development Goals (SDG's) which need to be fulfilled by the next 15 years. The SDG's aim is to realise human rights, to achieve gender equality, as well as to empower all women, they are balanced in three groups known as the economic, social, and environmental. This resolution stimulates areas of high importance for humanity as a whole and the planet.⁴¹

There is much controversy regarding whether the BRI is acting in accordance with the 17 SDGs. Some believe that it supports all Sustainable Development Goals, especially no poverty, zero hunger, good health, and well-being.⁴² Nevertheless, the opinion that holds is that the Belt and Road Initiative collides with the Sustainable Development Goals as the latter pushes for a greater society whereas, the BRI due to its need to expand and become greater will opt against these goals. This is known to make countries damage their economy in favour of the BRI instead of adhering to the SDG goals.

General Assembly Resolution A/RES/217(III)⁴³

⁴⁰ "A/RES/70/1 Transforming our world: the 2030 Agenda for Sustainable Development." *the United Nations*, 21 October 2015, https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf. Accessed 17 August 2024.

⁴¹ "A/RES/70/1 Transforming our world: the 2030 Agenda for Sustainable Development." *the United Nations*, 21 October 2015, https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf. Accessed 17 August 2024.

⁴² Ahmed, Jamil. "BRI cooperation with China 'transformational' for Pakistan: Ambassador | english.scio.gov.cn." *State Council Information Office*, 14 March 2022, http://english.scio.gov.cn/m/beltandroad/2022-03/14/content_78107057.htm. Accessed 17 August 2024.

⁴³ "A/RES/217(III): Universal Declaration of Human Rights." *the United Nations*, [https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_217\(III\).pdf](https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_217(III).pdf). Accessed 22 September 2024.

This resolution is named the Universal Declaration of Human Rights (UDHR), and was adopted in 1948. It is one of the early acts of the General Assembly to adopt the UDHR.⁴⁴

It contains 30 articles which outline the rights, freedoms, and protection every person is entitled to and it has influenced over 80 international treaties and conventions and has been translated in more than 360 languages.

The Belt and Road Initiative, due to its expansive infrastructure, may often destroy properties and locations, impacting the inhabitants' lives. Furthermore, many of the job positions that this initiative offers, may exist under conditions that go against the universal declaration of human rights. Specifically, many workers are paid inadequately despite their hard work, which directly goes against article 23, which states that "Everyone, without any discrimination, has the right to equal pay for equal work".⁴⁵

Memorandum of Understanding Between China and the United Nations Development Programme

On September 19 a Memorandum of Understanding (MOU) regarding the cooperation in the BRI, was signed by the Administrator of UNDP and the Chairman of the National Development and Reform Commission (NDRC). Its aim is to enrich the partnership of UNDP and the Chinese government for the implementation of BRI as well as the Agenda for Sustainable Development.⁴⁶ 9

This was notably the first time China and an international institution cooperated in regards to its BRI agenda. This showed China's great willingness to push for a bigger and more rapid increase in economic growth.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

BRI Monitor

The BRI Monitor is an attempt to enhance the Belt and Road Initiative's accountability. Specifically, its goal is to enhance transparency in major infrastructure projects that are funded by the

⁴⁴ "Universal Declaration of Human Rights (1948) | OHCHR." *ohchr*, <https://www.ohchr.org/en/resources/educators/human-rights-education-training/universal-declaration-human-rights-1948>. Accessed 17 August 2024.

⁴⁵ "What is the Universal Declaration of Human Rights? | EHRC." *Equality and Human Rights Commission*, <https://www.equalityhumanrights.com/human-rights/what-are-human-rights/what-universal-declaration-human-rights>. Accessed 17 August 2024.

⁴⁶ "First MOU signed between China and an international organization on promoting the Belt and Road." *People's Daily*, 20 September 2016, <http://en.people.cn/n3/2016/0920/c90000-9117119.html>. Accessed 17 August 2024.

BRI. This Monitor operates through the collaboration of civil society organisations, which are five in number. Namely, they are the Institute for Democracy and Economic Affairs of Malaysia, Stratbase Albert Rosario Institute of the Philippines, Sandhi Governance Institute (SGI) of Myanmar, the Institute of National Affairs of Papua New Guinea, and the Future Forum of Cambodia.

The BRI Monitor's function is to conduct research and case studies, in order to assess the level of transparency of BRI projects, regarding the transparency of China's Belt and Road Initiative, which includes their financial exposure. Its primary mission is to detect the BRI's lack of transparency and accountability; the actual resolving of this problem comes as a secondary goal.⁴⁷

POSSIBLE SOLUTIONS

Promotion of Transparency and Accountability

Transparency is the only thing that can lead to the proper detection of a problematic act that may benefit a certain organisation, government or person, but detrimentally affect another. This detection will in turn result in accountability, and finally the implementation of measures in order to avoid problems that have been detected in the past. Evidently, through transparency, China's actions regarding the BRI can be inspected by external organisations and states, which can then pressure the country to adopt certain courses of action to improve the function of BRI.

Enhancement of Debt Sustainability

In order to solve the economic inequalities caused by BRI, it is important to ensure that the initiative is not a debt trap diplomacy. This can happen by implementing strict measures that make sure that the loans borrowed by LMICs from China are fair and not excessive. For this to happen, the borrowing country's government or a specific, trustable organisation should assign economists to do research and estimate the ideal amount of money needed to be lent by China to the borrowing country. Similarly, it is important to find ways to maintain a balance between debt sustainability, and the development of new infrastructure. Such ways may include the consultancy of experts in regards to if a big project is worth an excessive loan, and if the borrowing country will be able to repay the loan without having to deal with catastrophic consequences of debt that it will not be able to overcome.

⁴⁷ *BRI Monitor – Civil Society Organizations*, <https://www.brimonitor.org/>. Accessed 17 August 2024.

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