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The Belt and Road Initiative as Ten Policy
Commandments: Review of Xi's Kazakhstan
and Indonesia Launch Speeches

Lauren A. Johnston

Dr. Lauren A. Johnston,
Honorary Associate Professor in The University of Sydney China Studies Centre
Visiting Senior Lecturer, School of Economics and Policy, University of Adelaide
lauren.johnston@adelaide.edu.au

China Studies Centre, Faculty of Arts and Social Sciences
The University of Sydney

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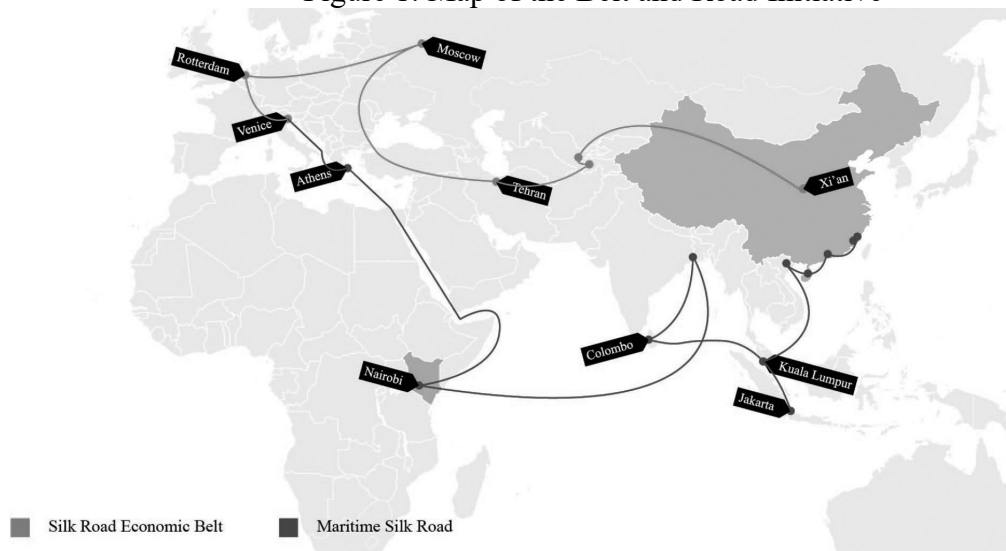
Abstract

In 2019 *Foreign Policy* described China's Belt and Road Initiative (BRI) as "the most talked about and least defined buzzword of this decade". Given that confusion and the importance of leader political speeches in China, especially those of current President Xi Jinping, it is surprising that the BRI literature has little in-depth analysed the two launch speeches of 2013. This article seeks to fill that gap with study of those speeches and focus on the five cooperation-oriented areas announced in each. In comparative context those ten pillars appear not to be descended from New Era Chinese heaven but rather demonstrate substantive thematic overlap with the ten pillars of what was once relatively mainstream macroeconomic development policy, the Washington Consensus. Yet, in the case of the BRI there is a relative implicit implementation emphasis also. In forward context of contemporary global political economy tensions, the need to recover from the COVID-19 pandemic, the G7's Build Back Better and the European Union's Global Gateway ambitions also, this article may offer a timely fresh and comparative lens on the BRI.

Introduction

On a visit to Kazakhstan in September 2013, Chinese President Xi Jinping surprised his audience with his intent to forge a “Silk Road Economic Belt”. The following month in Indonesia Xi also proposed a partnership between China and ASEAN nations that would forge a “Maritime Silk Road of the 21st century”. The integration of the idea for a “Silk Road Economic Belt” and a “Maritime Silk Road” (Figure 1) into a single initiative in Chinese is known as ‘*yidaiyilu*’, a phrase that has an ‘epic’ and ‘classical ring’ in Chinese (Freymann, 2020).

Figure 1: Map of the Belt and Road Initiative



The official English translation was initially a direct translation from Chinese, ‘One Belt One Road’. In 2015 the Communist Party’s Central Compilation and Translation Bureau, however, issued an official change to the English name, to “Belt and Road Initiative” (BRI) (Economist, 2020). Name abstraction? and inconsistency in English points to a legacy of confusion as to what the BRI is and what it aims to achieve (see Freymann, 2020). European diplomats preparing to attend a major diplomatic BRI forum in Beijing in 2017, noted, “we’re still trying to figure out what it is” (Wong & Lau, 2017).

Five years onward, both the BRI and associated debate and literature have advanced. From one angle of overview glance, the latter is characterised by a rift between “those who think of it (the BRI) as a tool serving China’s geopolitical interests and rise at the world stage, and those who see it as a more nebulous and fragmented undertaking driven by domestic economic and

political pressures” (Alves and Lee, 2022). There is also a division along lines of which of the dual uses – military or civilian –related infrastructure and investment research focuses on (eg. Ratner, 2018; Boni, 2019). Whatever the line drawn, or perspective selected, it may contain an element of truth yet sits within what is a very complex and nuanced reality (Lampton, Ho and Kuik, 2020).

Despite a decade since the BRI was launched, and a deep array of related scholarship (Section 2), the BRI itself remains something of an evolving enigma, to some extent like China itself. To this end and into the present decade, Ang’s (2019) summary of the overall struggle to define the form and scope of what has been called China’s “project of the century” in *Foreign Policy* still holds validity:

“There is one problem with the current hysteria surrounding BRI: nobody, including in Beijing, knows what BRI really is. In his 2017 keynote, Xi described “the project of the century” as encompassing nearly everything: finance, infrastructure, innovation, trade, transportation, sustainability, and people-to-people connectivity. The Chinese government has never provided an official definition of what constitutes a BRI project, nor has it issued a list of approved BRI participants. As a result, Chinese interest groups of all stripes—local governments, state-owned corporations, private enterprises, universities, and even charities and nongovernmental organizations—have been able to claim that their pet projects are a part of BRI, whether or not they have official government support. BRI may be the most talked about and least defined buzzword of this decade.”

Into this evolution and feared potential revolution, what is striking is the lack of outlay and analysis of Xi’s BRI launch speeches in the academic and policy literature.ⁱ Given that within Sinology the importance of political speeches to understanding Chinese political economy is well noted (eg. Mansfield, 1972; MacFarquhar, 1989; Zheng, 2006; Murphey, 2019) this is unfortunate. Even more so given the relative such importance of the speeches of current Party General Secretary and Military Commission Chairman, President Xi Jinping: his speeches are even more important than ordinarily in a China context. Senior CPC leader Liu Yunshan noted of Xi’s speeches: “the speeches contain the essence of Marxism, the wisdom rooted in traditional Chinese culture and the Party’s innovation and creative thoughts since the 18th CPC National Congress in 2012.” (China Daily, 2017).

A three-dimensional approach to studying Chinese political discourse: 1) description regarding the linguistic features of the discourse; 2) interpretation and 3) explanation of the discourse by considering China's social, especially political, and cultural, particularities is suggested by Fairclough (1985). Broad adoption of that approach to Xi's two BRI launch speeches in this article leads to emphasis on the five pillars of intended cooperation set out in each of the Kazakhstan and Indonesia launch speeches of 2013 (Xi 2013a & 2013b). In addition study of the BRI at birth, i.e. of the launch speeches, this article aims to fill a gap in the BRI policy literature, and in doing so, add a useful and foundational BRI policy perspective.

The rest of this article is structured as follows: the second section offers a concise introduction to some of the BRI literature; the third section gives the basic outline and analysis of the text of the first launch speech, made in Kazakhstan in September 2013; the fourth section gives the basic outline and analysis of the text of second launch speech, made in Indonesia in October 2013; the fifth section examines the two speeches in context of pre-existing policy pillar sets: the Washington Consensus and the China-initiated principles of peaceful coexistence; the sixth section summarises and offers suggestions for further research.

2. Introduction to related BRI Literature

A decade since launch, and the BRI literature is vast and covers an almost infinite number of angles on the subject. Since this section is intended as a short overview and given the policy focus of the article and launch speeches, this section elaborates that literature with economics in focus. From that viewpoint, Huang (2016) argues that the BRI is an attempt to reconfigure China's external sector to continue China's growth now that China's own demographic dividend is fading, and China's traditional export markets are fading. In this context, infrastructure is central, but the initiative also includes policy dialogue, unimpeded trade, financial support, and people-to-people exchange, and a framing consistent with Xi's opening speeches (Tables 1 and 2).

The chosen geographic corridors (Figure 1) in BRI launch speeches are consistent with that framing of the BRI. For example, the "Belt" focus on Kazakhstan and central Asia aims to better connect China's poorer regions to international markets and so underpin greater

prosperity in these regions; the “Road” can achieve the same with China’s poorer south-west while also tapping into the future demographic dividend growth potential in the world’s remaining ‘younger’ countries, which are mostly concentrated in Southeast and South Asia, and Africa (Johnston 2019a & 2019b). Despite those tangible launch passageways, Chinese officials have stressed that the BRI is “open” to all nations and “not limited by geography” (PRC State Council, 2015).

Optimistic BRI scenario studies have identified vast potential trade gains of the BRI for developed and developing countries (eg. Wang, Qiu & Choi, 2019), as goes for the potential infrastructure gains (eg. Chen, Song & Yang, 2021). Less optimistic conceptualisations of the BRI highlight low prioritisation given to environmental risks over the potential welfare gains of the BRI, including a trend of focus on thermal energy investments, coal especially (Ascensão et al, 2018; Huang, 2019; Yang et al, 2021; Lin and Bega, 2021). There are both opportunities and challenges for the BRI’s capacity to support realisation of the Sustainable Development Goals (Gu, Corbett, and Leach, 2019).

Similar arguments are met in the study of the borrowing level sustainability around the credit financing that is often attached to larger BRI infrastructural projects. For that lending to be sustainable elevated growth rates are required – the very higher growth rates that the BRI-funded infrastructure seeks to unlock in a virtuous economic circle (eg. van Twillert & Halleck (2021)). Whether any given domestic conditions were ripe for this or otherwise, the COVID19 pandemic has lowered growth rates across the world and put both direct and indirect pressure on fiscal resources.

This in turn has put pressure on pre-existing BRI-related borrowing. In 2020 many BRI projects were estimated as facing debt repayment problems, especially in cases where national debt levels were high prior to additional BRI-related funding options emerging (Bandiera & Tsiropoulos, 2020). Chellaney (2017) sparked a sustained worldwide debate with his proposition that China’s BRI lending itself was of predatory intent. Intent that is, to overwhelm poor countries with unsustainable loans, above-market price state-linked company implementing agencies, and hence force them to cede strategic leverage to China. Brautigam (2020) and Singh (2020) were among the first to formally refute the notion, and their views have since become the mainstream. Carmody (2020) proposes that the issue is one of dependence, and not an attempt by China to trap nations.

In global geoeconomics context, the BRI's place in China's long-run grand strategy has been explored (Andornino, 2017; Clarke, 2017). Yet, the context of any such grand strategy has also since changed, and parallel initiatives have also been launched. Those include the Build Back Better World Initiative an agenda led by the Group of Seven (G7) and the current United States leadership especially. The European Union (EU) meantime has launched the Global Gateway project, which similarly intends to support infrastructure construction and economic development in developing countries. Into that increasingly competitive global landscape, should China have a grand BRI strategy plan it will necessarily need to be an adaptive one – as it turns out to appear to be constructed to be.

Moreover, some signatory developing countries have identified ways to include aspects of their own agency in their BRI participation (Calabrese & Cao, 2022), which also necessitates an adaptive rather than a fixed BRI approach, as grand strategy or otherwise. Johnston (2018) took it as given from the point of launch that the BRI is such an adaptive concept and considers it an outbound equivalent to China's approach to economic and policy reforms over forty years from 1979, which was compared to “crossing a river by feeling for stepping-stones”. Direct study of the speeches with which it was launched seem to so imply.

3. First Speech: “*Promoting Friendship between People and Creating a Better Future*”, Kazakhstan, September 8, 2013.

Xi's choice to launch the flagship national initiative of his presidency in Nur-Sultan, capital of China's neighbour Kazakhstan (then known as Astana) has not been officially explained. The location of that speech was Nazarbayev University, named after independent Kazakhstan's first and long-standing ruler (president from 1990-2019), President Nursultan Abishuly Nazarbayev.

The early section of Xi's historic Kazakhstan speech began by recounting historic geographical associations. Xi emphasised that modern Kazakhstan sits at a fundamental juncture of the Silk Road and has played an important role in facilitating the development of East-West civilisation via exchange and flow of goods, people, and ideas for millennia. He added that some 2,100 years ago, during China's Han Dynasty, Chinese emissary Zhang Qian visited Central Asia

including the region that is modern day Kazakhstan, opening a door to friendly exchanges, and moreover ultimately connecting Europe and Asia via the Eurasian landmass. For Xi there was an added – and noted – significance: his home province of Shaanxi marks the beginning of the Silk Road.

In those earlier times modern Kazakhstan was not a sovereign nation. Its contemporary geography, however, especially to the south, formed part of the historic Eurasian trade passageway, as Xi noted. Today Kazakhstan formally shares a 1,063km border with China to its west, which also forms part of the international border of China’s Xinjiang Uyghur Autonomous Region. Overall, there are five border crossings between the two states, as well as important active freight train lines – again forming an important link

The next section of Xi’s speech excluded any mention of Kazakhstan and instead focused on the whole of Central Asia. Xi noted China’s readiness to strengthen mutual trust and deepen cooperation across the region, including via the Shanghai Cooperation Organisation (SCO) and other regional security agencies. Not only would such deeper cooperation facilitate the combat of the ‘three evils’ - terrorism, extremism, and separatism - but would also help to create a favourable environment for regional development and for people to live and work in peace and happiness. Transforming complementarity into cooperation would in turn underpin a win-win situation, between China, its Eurasian neighbours, and the Eurasian Economic Community (Hu et al, 2017).ⁱⁱ

Then came the first introduction of the concept of a “Silk Road Economic Belt”, in a call for innovative cooperation models toward bringing Eurasian countries closer together and expanding space for development. President Xi noted that these countries (“we”) could start with focus on collaboration in a few areas, and then incrementally form a regional cooperation ‘belt’. In the speech he then went on to emphasise the five initial areas of cooperation that are spelled out in Table 1.

Table 1: Five Areas of Cooperation proposed for the “Silk Road Economic Belt”

Strengthen Policy Communication	<p>Countries may engage in rich exchanges on economic development strategies and countermeasures; formulate plans and measures for advancing regional cooperation through consultation in the principle of seeking common ground while reserving differences; and give regional policies and laws underpinning economic integration a green light.</p>
Strengthen Road Connectivity	<p>The SCO is negotiating a transport facilitation agreement. An imminent signing and implementation of this document will open a major transport corridor from the Pacific to the Baltic Sea. On this basis we are ready to work actively with other parties to improve cross-border transport infrastructure and gradually build a transport network connecting East Asia, West Asia, and South Asia to facilitate economic development and personnel exchanges among countries.</p>
Promote Unimpeded Trade	<p>With a total population of nearly 3 billion, the Silk Road Economic Belt has unique market size and potential. There is great potential for cooperation in trade and investment. All parties should discuss and make appropriate arrangements on trade and investment facilitation, remove trade barriers, reduce trade and investment costs, improve the speed and quality of regional economic cycle, and achieve mutual benefit and win-win results.</p>
Strengthen Currency Circulation	<p>China, Russia, and other countries have conducted sound cooperation in local currency settlement, achieved gratifying results and accumulating rich experience. This good practice needs to be extended. If countries realize local currency convertibility and settlement under both the current and capital accounts, they will greatly reduce circulation costs, enhance their ability to withstand financial risks, and enhance the international competitiveness of their economies.</p>
Strengthen People-to-People Ties	<p>Amity between the people holds the key to state-to-state relations. To ensure successful cooperation in the above-mentioned areas, we must win the support of people of all countries. We must strengthen friendly people-to-people exchanges, enhance mutual understanding, and traditional friendship, and lay a solid public and social foundation for regional cooperation.</p>

Source: Author's own translation of Xi (2013a). Available: http://www.xinhuanet.com/politics/2013-09/07/c_117272280.htm.

Where Xi's speech began in a bilateral context, then moved to a Central Asian context, it ended with geographic reference to a larger region covering "the Pacific Ocean to the Baltic Sea". That area Xi noted, is home to some 3bn persons – and hence to unique market size and potential (and land-based potential for much greater integration). He called for unimpeded trade among those 3bn persons, and investment in the infrastructure that would facilitate it. These three billion persons presumably comprised the initial focus of the idea of a 'belt'.

As much as being a strategic concept to facilitate management of, for example, terrorism risks, the "Belt" was launched in the first instance also with emphasis on the potential for new market creation. In so doing, to China's immediate West, this would offer the added potential of helping to raise incomes in China's poorest – western – provinces, and hence also prospectively

help to reduce the income gap between China's high-income coastal regions and its West (Johnston, 2018). Fostering a rail-based trade route all the way to Europe, would also, moreover, reduce the risk of sea channel bottlenecks and allow China to make more of its railway technology investments.

A lesser discussed BRI aspect in existing research is Xi's mention of monetary issues, and the push for greater convertibility of local currencies in both the current and capital accounts. This, he explicitly suggested, would enhance competitiveness, reduce financial risks, and encourage greater circulation. He also noted that people-to-people exchange forms the essence of state-to-state relations. Strengthening people-to-people relations, that is, is the foundation of public and social regional cooperation (Table 1).

Finally, where President Xi began his speech by addressing the dignitaries present, and throughout his speech broke up its sections with the address "ladies and gentlemen", toward the end of his speech for the first and only time he directly addressed the "teachers and students" present. He specifically addressed the youth as the future of a nation and spoke of being convinced students 'from here' (whether of Kazakhstan or Nazarbayev University is not clear) will become pillars of the revitalization of Kazakhstan.

In a youth context, Mr. Xi promised China would provide 30,000 scholarships to SCO member countries over the next decade, alongside inviting 10,000 teachers and students from Confucius Institutes to study in China (the former can be in any topic and may include a degree in English; the latter is mostly for language-related study). After sharing two stories of friendly human exchange between China and Kazakhstan, President Xi stated that friendships are most easily formed in youth and encouraged more exchange between the youth of the two countries such that they would be as close as brothers.

The Kazakhstan launch speech closed with noting some basics of the bilateral Kazakhstan-China relationship, including that the two countries are friendly neighbours "as close as lips and teeth". Relevant here could also be a Chinese idiom, 'chun-wang-chi-han' (唇亡齿寒), meaning literally without lips teeth are cold. In a bloody war of some 500 years BC loss of a boundary region resulted in bloody and lost war. To that end, it may be implied here that China and Kazakhstan should, each in a context of being 'teeth', be each other's 'lips' also.

4. Second Speech: “*Jointly Building a China-ASEAN Community of Shared Future*”, Indonesia, October 3, 2013.

Different to the speech in autocratically governed Kazakhstan, where Xi spoke not just to the President and selected dignitaries but also to the young student elite on a university campus, in Indonesia Xi’s speech, “*Jointly building a China-Association of Southeast Asian Nations (ASEAN) Community of Shared Future*”, was held in Indonesia’s Parliament. Consistent with the launch in Kazakhstan, however, in Jakarta after praising the progress of his hosts Xi focused on the ancient connections between the two countries.

Chinese mariner Zheng He’s visits to Indonesia on each of his seven oceanic voyages early in the 15th century were raised. As was the case that for hundreds of years, as Xi noted, ships had carried goods and people between the two nations, as Chinese porcelains in the national museum illustrate. In metaphorical echo of his Kazakhstan speech, the support that Indonesia and China have given each other last century in striving for national independence was compared with ‘lips’ to each other sides respective ‘teeth’.

Prominently, in 1955 China and Indonesia, represented by Premier Zhou Enlai and President Soekarno respectively, alongside dozens of other Asian and African countries, were core not only to the Bandung Conference of 1955 but, Mr. Xi noted, also to the instigation of the Bandung spirit. More than half a century later this spirit remains important as a principle for governing state-to-state relations and has also contributed to building a new type of international relations. So much so that prominent former Singaporean diplomat Kishore Mahbubani recently called for a form of reunion in Bandung in the year 2055 (Mahbubani, 2021).

In the following section of his Indonesia launch speech, Xi raised points of bilateral collaboration. The two sides had supported each other in face of natural disaster, including the 2004 Indian Ocean tsunami when the Chinese emergency team was the first to land in Aceh. Also, in the case of China’s the Wenchuan earthquake of 2008.

For comparison, in landlocked Kazakhstan Xi’s focus was on ‘roads’ as the infrastructural reference point, but in ocean-based Indonesia the focus was much broader. It noted that finance, infrastructure, energy, and manufacturing partnership had “taken us both to the sky and to the

sea” – referencing hence aeronautics and the maritime sphere. More explicitly, thereafter emerging cooperation in aerospace and maritime cooperation were noted, alongside the Surabaya-Madura Bridge, built by China and Indonesia and Southeast Asia’s longest sea-crossing bridge. The two countries’ bilateral relations, hence, exerted not only regional but also global influence. In the Bandung tradition, this in turn underpinned support for a more just and reasonable international political and economic order.

Resonant with the Kazakhstan speech, Xi’s focus shifted from Indonesia to the Southeast Asian region. He noted China and the Association of Southeast Asian Nations (ASEAN) were not just linked by mountains and rivers, but also by blood. The formal China-ASEAN partnership is a decade old and stands at a historic turning point. From the Wenchuan earthquake to times of financial crisis, China and ASEAN countries have built an indefatigable partnership. An important hub of the ancient “Maritime Silk Road”, China, Mr. Xi assured, would support ASEAN development toward mutual development and to jointly meet challenges also.

Next was a shift from the Kazakhstan speech where the Silk Road Economic Belt formed an explicit proposal around which five areas of cooperation that began as ‘lines’ and ended as ‘areas’, were outlined. In the Indonesia speech, however, the 21st Century Maritime Silk Road concept was raised relatively indirectly within the context of a bigger cooperation agenda. This may be interpreted as Xi tacitly recognising the greater contemporary depth and complexity of China-Southeast Asia relations. He similarly noted five areas for deeper ties (Table 2), but instead of directly calling for these ties to be ‘strengthened’ as in Kazakhstan, he called for ‘greater efforts’ to be made in these five areas. He argued that an ‘even closer’ China-ASEAN community could serve the common interest of both and the world at large.

Table 2: Five Areas for Greater Effort between China and ASEAN

We must keep faith and build amicable relations	China is ready to work with ASEAN countries with sincerity so as to live in friendship and upon a continuous consolidation of political and strategic mutual trust.
We need to pursue win-win cooperation.	China is ready to open wider to ASEAN countries on the basis of equality and mutual benefit so that its own development will bring more benefits to ASEAN countries. China is committed to facilitating ASEAN infrastructure connectivity and is committed to the China-ASEAN Maritime Cooperation Fund. Therein, China and ASEAN should jointly cooperate to build a “21 st Century Maritime Silk Road”.
We should stick to mutual assistance.	China and ASEAN countries are as close as lips and teeth and shoulder the responsibility of jointly maintaining regional peace and stability.

Adhere to mutual affinity.	We need to promote friendly exchanges among youth, think tanks, parliaments, non-governmental organisations, and social groups, so as to provide more intellectual support for the development of China-ASEAN relations and enhance mutual understanding and friendship between our peoples.
We need to remain open and inclusive.	This is a region full of diversity. Various civilizations have integrated and evolved through mutual influence, providing an important cultural foundation for the people of China and ASEAN countries to learn from each other and promote each other.

Source: Author's own translation from Xi (2013b). Available: http://www.gov.cn/ldhd/2013-10/03/content_2500118.htm.

Yet in Indonesia Xi was also explicit in stating China's own interest - the great rejuvenation of China and its citizens by mid-century - alongside the broad steps and goalposts in getting there. He expressed that China had confidence in its capacity to realise this goal, but also noted many challenges ahead. He was pointed and explicit in describing the rise of China as an opportunity and not a threat for Asia and the world. Accordingly, China would continue to share economic and social development opportunities with ASEAN countries and those beyond. He added that there is no "one-size-fits-all" development model in the world, and nor is there an unchanging development path.

If anything, the progress of the BRI across Southeast Asian nations since itself has demonstrated that point. Lampton et al (2020) highlight this in the case of an in-progress BRI-linked high-speed rail project intending to connect China and seven different Southeast Asian countries. They note that each of these countries has their own unique history, political system, and culture, and hence reacts uniquely to China's BRI proposals. Some of those nations, like Laos, are devoid of bargaining power, but others, like Singapore and Indonesia, have shown more adeptness at positioning their own interest. Even geographically, plans for the train line through Laos are proving to be uniquely technically challenging.

Finally highlighted here is that unlike in his Kazakhstan speech where the size of the population of the entire Eurasian continent was noted and despite there being emphasis on ASEAN throughout the speech, the tail end of Xi's Indonesia speech referred only to the combined bilateral population of 1.6bn people. Together, such a large human force could create miracles in human development. He called for China and ASEAN to work together to build a shared future and to contribute to world peace and development.

5. The Ten Pillars of the BRI compared with prominent pre-existing policy set pillars

5.1 Policy Pillar Comparison

Sections 2 and 3 set out the ten pillars that were introduced as foundational objectives of the BRI in the two launch speeches of Chinese President Xi Jinping in 2013. Table 3 draws these together in concise form.

Table 3: BRI Two Launch Speech Ten Pillars (aggregated)

Kazakhstan speech
1. Strengthen Policy Communication
2. Strengthen Road Connectivity
3. Promote Unimpeded Trade
4. Strengthen Currency Circulation
5. Strengthen People-to-People Ties
Indonesia speech
6. We Must Keep the Faith and Hold Amicable Relations
7. We Need to Pursue Win-Win Cooperation
8. We Should Stick to Mutual Assistance
9. Adhere to Mutual Affinity
10. We Need to Remain Open and Inclusive

Summarised from Tables 1 and 2.

As it happens, the BRI is not the first ten-pillar economic policy paradigm. A precedent existing the late 1980s ten-pillars concept of the Washington Consensus (“the Consensus”) (Table 4). Moreover, as in the case of Xi’s 2013 speeches the Consensus arose from a speech, in this case one made in 1989 by British American economist John Williamson (2009). The Consensus, in sum, became a transnational policy paradigm at the core of which sat the Washington-based international financial institutions’ practice of conditionality in making loans to developing country governments in exchange for a related package of policy reforms (Babb, 2013).

Table 4: Ten Pillars of the Washington Consensus

-
1. Fiscal Discipline
 2. Redirecting Public Expenditure
 3. Tax Reform
 4. Financial Liberalisation
 5. Adoption of a Single Competitive Exchange Rate
 6. Trade Liberalisation
 7. Elimination of Barriers to Foreign Direct Investment

8. Privatization of state-owned enterprises
9. Deregulation of market entry and competition
10. Secure Property rights

Source: Williamson, J. (2004). The Washington Consensus as policy prescription for development. *Development challenges in the 1990s: leading policymakers speak from experience*, 31-33.

An extreme interpretation runs that the Consensus offered an unambiguous promise that if a developing country were to implement conservative macroeconomic policies and liberal microeconomic policies to expand the role of the private market at the expense of the state in resource allocation, then it would achieve sustained high growth rates on its own.” (Thye Woo, 2004: 11). Other interpretations and impact studies are plentiful (eg. Birdsall et al, 2010; Gore, 2000).

Comparing the Consensus with the launch speeches of the BRI, a first point is that the five pillars of the first speech bear greater comparability with the ten pillars of the Washington Consensus (Tables 3 and 4). More specifically, the cross-over economic policy thematic reference includes Xi’s call for unimpeded trade and elements of the monetary policy. Further, the BRI pillars call for greater infrastructural connectivity and the Consensus for the elimination of barriers to foreign direct investment and trade.

In other words, the first three pillars of Xi’s first speech are well-established global development priorities – infrastructure, removal of barriers to trade, and development policy frameworks. Xi’s emphasis in launching those in his speech was on the intention to promote and strength such economic flows, and not on any policy specifics for realising that. For comparison the Consensus’ focus is on the policy specifications. That is, the structural emphasis of the BRI launch speech was on an intent to deepen noted areas of economic and people-to-people ties. The Consensus pillars are, in contrast, a set of policy mechanics from where it is implicit that economic activity and prosperity can be strengthened. The BRI is focused on the intended outcome, and the Consensus on the mechanism that is intended to implicitly reach the same overall outcome.

It may hence be expected that there will evolve greater difference in implementation than might otherwise be extrapolated from the basic economic policy conceptual overlap. For example, very different from promoting privatisation of state-owned enterprises (Consensus pillar 8: Table 4), in the case of the implementation of BRI-associated infrastructure projects, China’s

state-owned enterprises have responded positively to China's BRI agenda compared with private firms that are found not to have responded to the launch of the initiative significantly (Gorg and Mao, 2020). Further, there was no reference to ownership structure in the BRI launch policy pillars.

There are also differences between the BRI and the Consensus in terms of the policy starting point. In the case of China, unlike for any other major economy in recent world history, let alone the world's biggest trading nation, China's currency, the Renminbi, at present can mostly only be used within China's borders (Liang, 2020). Hence in this case, pillar four of the first launch speech called for strengthened monetary circulation. This could mean many different things, including an intent to gradually foster a greater role for the Renminbi internationally. Or, to strengthen the foundational mechanics of monetary circulation, via digitisation and new technologies. In concept, hence the Consensus and the BRI share a reference to monetary policy, but the BRI's related pillars leave open a vastly wider space for breadth and intent of monetary policy transformation and options.

Otherwise, the final pillar of the first BRI launch speech and the essence of the second speech focused on strengthening people-to-people ties and diplomacy (Benabdallah, 2020). Different to the Consensus' list of ten static economic policy principles, the economic policy announcements in Xi's first speech signal something closer to an intended economic policy direction. Specifically, either? the intent to "promote" or to "strengthen" trade, infrastructure, policy dialogue, currency circulation, and people-to-people ties. The Consensus in comparison offers closer to a set of static policy guidelines – privatization of state-owned assets and deregulation, for example.

To the above point, the different focus of the policy priorities of Xi's second speech may be better understood as anchored in the spirit of China's long-standing five principles of peaceful coexistence in the promotion of peace and development (Table 5). These function more as diplomatic operational guidelines, which the BRI second launch speech may have arguably newly directly linked to the global development and world economy domain. Relevant here could also be that Chinese Premier Zhou Enlai launched the principles in Beijing during negotiations with an Indian delegation between December 1953 and April 1954. Further, these were repeated by Zhou in 1955 in Myanmar, which is today a member of ASEAN, a regional organisation of Southeast Asian nations - at which Xi's Indonesia speech was explicitly

directed. They are also a cornerstone of the Bandung Spirit from the 1955 gathering of non-aligned states (China, Ministry of Foreign Affairs, 2015).

Table 5: Sets of co-existence principles

<u>Indonesia BRI launch-speech five areas for greater effort between China and ASEAN</u>
1. We Must Keep the Faith and Hold Amicable Relations
2. We Need to Pursue Win-Win Cooperation
3. We Should Stick to Mutual Assistance
4. Adhere to Mutual Affinity
5. We Need to Remain Open and Inclusive

<u>Five Principles of Peaceful Coexistence in the Promotion of Peace and Development (from 1950s)</u>
1. Mutual respect for sovereignty and territorial integrity
2. Mutual non-aggression
3. Non-interference in each other's internal affairs
4. Equality and mutual benefit
5. Peaceful coexistence

Summarised from Tables 1; China, Ministry of Foreign Affairs (2004; 2015).

5.2 The BRI as a malleable outbound “opening and reform” equivalent

As we have seen, the ten pillars of Xi's twin BRI launch speeches and those of the Washington consensus overlap with respect to conceptual openness to trade and investment and building the related policy and infrastructural foundations. Yet they appear to differ significantly in policy detail, around enterprise ownership orientation or sense of priority, as an example. The BRI also arguably was launched, in Indonesia, with what may be understood as a set of diplomatic principles that would form the blueprint for its implementation.

That this is clear in policy direction and underpinning principles, yet not in policy detail, may help to explain why “There is one problem with the current hysteria surrounding BRI: nobody, including in Beijing, knows what BRI really is.” (Ang, 2019). Since it is likely that the BRI is intended as a multi-decade agenda, it is less surprising that the form from the outset is limited. Further, and in any case, in his Indonesia speech Xi stated explicitly that not only is there no one-size-fits-all development model, but also that there is “no unchanging development path”. His speech is congruent with the overall political economy of development approach China has adopted in its own recent development, particularly since the launch of “reform and opening” by Chinese leader Deng Xiaoping in December 1978.

‘Reform and opening’ is a phrase covering the breadth and depth of the evolving array of policy reforms that applied to everything from agricultural product price reforms to worker location rights, from property rights to currency reforms, and almost all economic and social policy areas in between, from December 1978 (see Garnaut, Song and Fang, 2018). That malleable framework provided for an, on average, steady experimentation-based process of policy reform and change and marked a shift from the sharper shocks of the Mao era and a distancing to the dramatic policy reform shocks associated with the implementation of the agenda that can be associated with the broad Consensus-type policy set out in the 1980s and 1990s.

In terms of the timing of the BRI’s launch, in 2013, it may be significant in this context that this was the year prior to China’s outbound investment exceeding inbound investment, for the first time ever. Hence, where ‘reform and opening’ is loosely associated with the period from 1978 to 2012, the BRI could, as an example and equivalently, come ultimately to be associated with China’s intended socioeconomic and geopolitical agenda for the period 2013-2049. In 2049, mid-century, the People’s Republic of China will turn 100. It is intended to mark the occasion by having realised the goal of becoming a modern and prosperous nation.

Where the ‘reform and opening’ process was described as a gradual and experimental step-by-step agenda comparable with crossing a river by feeling for stepping-stones, the BRI may be taken as the next phase’s incremental out-bound equivalent. That is, an agenda of now more concrete form, and resembling a general economic development direction. The policy pragmatism approach that underpinned the opening and reform agenda was described by Deng Xiaoping as it that it does not matter if a cat is yellow or black – what matters is whether it (a policy or action) catches the mouse”. The BRI may follow a similar line, if in a more complex cross-country context.

As Alves and Lee (2022) summarise it: “the evolving (BRI) discourse suggests a fluid approach and hence a constant work in progress, in which progression hinges upon reactive and cumulative adjustments to feedback as the initiative is rolled out”, which is consistent with findings such as Kratz and Pavličević (2019), and Lampton et al (2020). Taking the BRI then as merely a long-term umbrella concept for China’s own net outbound investor period of its modernization journey. Indeed, in an article titled *Making Room for China in the World Economy*, Rodrik (2010: 9) noted the following:

“In this perspective poor countries are poor because too few of their resources are in modern, high productivity activities. Fast growth happens when there is rapid structural transformation from low-productivity traditional sectors to high-productivity modern activities. The reason this transformation is not an automatic, market-led process is that there are severe market or institutional failures whose costs are borne disproportionately by the modern sectors. Sometimes transformation is blocked because of low domestic saving and high cost of capital, which keep investment and structural change sluggish. But more typically the problem is a large wedge between private and social returns in modern sectors. These sectors are subject both to learning spillovers and coordination failures and to high costs imposed by weaknesses in legal and regulatory institutions. These weaknesses are hard to remove in short order, and the experience of advanced economies is that they are addressed only through the long course of decades, if not centuries.”

Where Rodrik’s article was about making room for China itself in the world economy, it could here also be read in context of making room for China’s outreach into the rest of the world economy. His emphasis is on the economic complexity – which also will confront China’s BRI outreach across poor countries especially. He further notes that that is not a rapid journey, but a long one. Equivalently, judging the BRI by even its first ten years would likely come to be akin to judging ‘opening and reform’ only by the decade of the 1980s. For three more decades, however, it ran, and in its course changed the world economy. It is possible that under the BRI umbrella, China might do the same again, but directly internationally.

6. Review

This article sought to fill a gap in the literature by drawing Xi’s twin BRI launch speeches and their contents into the China policy literature. It studied the five areas of cooperation proposed in Kazakhstan and the five areas of greater effort proposed in Indonesia. That in turn, in sum, revealed conceptual and thematic policy familiarity with 1) China’s own ‘reform and opening’ approach; and 2) elements of the ten policy pillars of the Washington Consensus and of China’s

principles of peaceful coexistence. The latter may even here be understood as something of China's principles of economic co-existence.

In line with 1), a Chinese approach to 2) is more vague and explicitly open-ended in experimentation. First, because it has not happened yet and has a multi-decade time frame ahead. Second because it is, by definition, an open-ended and adaptive process in terms of the implementation specifics and needs. The "BRI" is, that is, merely an umbrella phrase capturing what will be an experimental journey on route to realising the more tangible policy goal posts. To that point, it is not just a set of policy directions (or static policy ideas as in the Consensus) but a fluid set of policy directions around trade and investment and factors facilitating them like infrastructure and monetary flows, and a set of five principles to guide the aspiration that this happens amid amicable diplomatic relations and peaceful coexistence.

The BRI may hence be usefully understood as an umbrella merger of China's principles for coexistence with other countries and its plan for continuing to develop its own economy while also fostering growth and development abroad, and especially perhaps between China and its fourteen contiguous neighbours. China's reform and opening policy agenda ran for more than three decades. In the absence of a political economy revolution in China it may be assumed that the BRI policy umbrella and equivalent outbound agenda will do so similarly, to its mid-century frontier modernisation goal.

There will undoubtedly be many challenges along that journey, as in the case of China's domestic reform and opening. Indeed, the level of contemporary global environmental, economic, and political values contestation infers that the gap between China's BRI ambitions and their possibilities for realisation may likely have expanded since launch. This should not, however, lead to a writing-off of the BRI agenda, precisely since it is more of an outbound global development long march than a short-run policy idea.

The BRI, that is, is a very fluid name for renewed globalisation with greater space for China. It will be contested within partner developing and developed countries, and between powerful countries, as the frameworks for technology, trade, and digitisation governance, and more, are moulded, re-moulded, tested, and written anew. Successfully holding China to account for the five principles of the second launch speech as it advances the economic goals of the first speech, bilaterally and multilaterally, will help to mould the values and geopolitical peace (or not) of

what later may be known as the BRI period of China's contemporary history. Equivalently, economic competition and cooperation with China on the economic goals of the first speech will also help to mould the equivalent outcomes.

Study of Xi's two launch speeches is a useful preliminary anchor for both agendas. Future research could study the BRI's progress by each respective launch speech pillar, drawing particular attention to the risks and challenges associated with them, including environmental and financial sustainability challenges. With respect to the call to strengthen monetary circulation, intensive research into the evolution of e-commerce and digital currencies is called for over coming years.

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ⁱ This may relate to the fact that few 'China in the World' scholars are first China scholars, and few first China scholars are China scholars.

ⁱⁱ The Eurasian Economic community is a grouping comprised of five members: Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikstan.

Contact

China Studies Centre
Faculty of Arts and Social Science

Level 7 Jane Foss Russell Building (G02)
156 City Road The University of Sydney
Darlington NSW 2006

+61 2 91140837
Chinastudies.centre@sydney.edu.au

<https://www.sydney.edu.au/china-studies-centre/>

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