

# Geostrategic and Military Drivers and Implications of the Belt and Road Initiative

Prepared statement by

**Ely Ratner**

*Maurice R. Greenberg Senior Fellow for China Studies  
Council on Foreign Relations*

Before the

U.S.-China Economic and Security Review Commission

*2nd Session, 115th Congress*

## Hearing on China's Belt and Road Initiative

### **Context**

Any discussion of Chinese foreign policy and U.S.-China relations should begin with a baseline description of the overall context and dominant trends. I would offer four topline observations.

First, the United States and China are now locked in a geopolitical competition, primarily still in Asia. How this competition evolves will determine the rules, norms, and institutions that govern international relations in the coming decades, as well as levels of peace and prosperity for the United States.

Second, the United States is losing this competition in ways that increase the likelihood not just of the crumbling of the U.S.-led order in Asia, but also the rise of a China-dominated region. If such a future in fact comes to be, the region will be less free, less open, and less inclusive than it is today. Many of America's foreign policy achievements over the last 75 years will be lost, and it will take generations (at least) to revive central elements of today's liberal international order.

Third, the U.S. government has failed to approach this competition with anything approximating its importance for the country's future. Washington remains distracted and unserious about the China challenge. The Trump administration sounded some of the right notes in its first National Security Strategy, but on balance its foreign and domestic policies do not reflect a government focused on projecting or sustaining power and leadership in Asia.

Fourth, despite current trends, the United States can arrest China's momentum and prevent the growth of an illiberal order in Asia. The foundations of American power remain strong, while China's weaknesses are mounting by the day. There is nothing inexorable about either China's rise or American decline. But neither will these trends reverse themselves without better policy and strategy in Washington.

This is the context in which we should consider the military and geostrategic considerations of China's Belt and Road Initiative (BRI). The United States does not need a counter-BRI strategy; instead, it needs a comprehensive China strategy to manage the challenges of which BRI is both a cause and symptom.

### **Drivers and Benefits for China**

Military and geostrategic factors are largely secondary to the economic imperatives of the Belt and Road Initiative.<sup>1</sup> The strategy primarily serves China's efforts to transform and grow its economy amidst the hangover and slowdown of its exhausted manufacturing and investment-led model at home. Beijing hopes to find big projects and new markets for Chinese firms throughout the various belts and roads.

However, the strategic dimensions of BRI are barely below the surface. The initiative carries strategic significance in part because of what it says about Chinese Communist Party General Secretary Xi Jinping's ambitions for China's role in the world. Xi has quite explicitly retired China's moderate, cautious foreign policy and is instead pursuing greater power and leadership on the global stage.<sup>2</sup> In that sense, Belt and Road bears on military and security affairs because it demonstrates Xi's willingness and desire to pursue big, bold ideas that put China at the center of international politics in ways it has strongly resisted in recent decades. There is no reason to believe he will cabin these efforts to economic initiatives as China's military becomes increasingly capable of projecting power overseas.

Moreover, although strategic factors have not been primary motivators, it is still the case that the size, scope, and geography of the initiative are likely to have significant military and geopolitical effects. It will do so both directly and indirectly, and provide both advantages and risks for Beijing. The possible upshots for China include the following areas.

*Energy security:* Diversified trade routes for energy imports are arguably the most direct and indisputable strategic benefit to China from Belt and Road.<sup>3</sup> Beijing is seeking to build roads, ports, and pipelines that

---

<sup>1</sup> Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (Washington, DC: The National Bureau of Asian Research, 2017).

<sup>2</sup> Bonnie S. Glaser and Matthew P. Funaiolo, "Xi Jinping's 19th Party Congress Speech Heralds Greater Assertiveness in Chinese Foreign Policy," *Center for Strategic & International Studies*, October 26, 2017, <https://www.csis.org/analysis/xi-jinpings-19th-party-congress-speech-heralds-greater-assertiveness-chinese-foreign-policy>.

<sup>3</sup> Christopher Len, "China's Maritime Silk Road and Energy Geopolitics in the Indian Ocean: Motivations and Implications for the Region," in *Asia's Energy Security and China's Belt and Road Initiative*, NBR Special Report 68. Erica Downs, Mikkal E. Herberg, Michael Kugelman, Christopher Len, and Kaho Yu (Washington, DC: The National Bureau of Asian Research, November 2017), 41-53.

can alleviate what Chinese strategists have long called the “Malacca Dilemma;” namely, vulnerabilities that result from having to ship much-needed energy imports through the South China Sea and up the east coast of China, where U.S. and other regional militaries have the capabilities to threaten or block maritime traffic. More routes that are more secure reduce the likelihood of adversaries being able to choke off China’s energy sources. As a result, BRI will likely include pipelines through Russia and Central Asia, as well as deep water ports in South and Southeast Asia.

*Counterterrorism:* Lack of access and transparency continue to obscure the scope of China’s terrorism problem in Xinjiang and surrounding provinces. Nonetheless, there have been violent incidents, which are likely to continue, if not increase, as a result of multiple trends: foreign fighters returning from Syria and Iraq; the potential for greater extremist activity in Afghanistan and Central Asia if the United States withdraws; and growing domestic discontent in western China due to the government’s enhanced oppression of Uighur Muslims.<sup>4</sup> Chinese officials argue that economic development is an important part of any counterterrorism program. In this telling, extremism in Xinjiang and neighboring countries will abate to the extent that Belt and Road brings jobs, education, and higher standards of living.

*Overseas military access and presence:* China’s government is actively searching for overseas bases to station and rotate military forces, and the People’s Liberation Army and People’s Armed Police will gain increased access in BRI countries.<sup>5</sup> This will occur in a variety of ways. Chinese forces will be deployed to narrowly protect high-priority projects. Host countries may also request security assistance to defend against domestic instability that could imperil vital infrastructure. Finally, in some instances, China is likely to acquire or control major transportation facilities, including ports and airports, in exchange for Chinese investment and debt forgiveness. This has already transpired in Sri Lanka and may again soon in Myanmar.<sup>6</sup> The PLA currently lacks the ability to sustain large numbers of troops far from mainland China. This will change over time with improvements in training, doctrine, and more access to overseas facilities. With naval access in the Indian Ocean, the PLA will eventually be able to protect and disrupt vital shipping lanes, while also basing forward submarines and anti-submarine warfare capabilities that could pose a security challenge to regional countries, particularly India.

*Illiberal regional security order:* If Belt and Road proceeds as China envisions, it is likely that an illiberal regional order will develop in which democracy and individual rights are largely subservient to economic growth and social stability. China has been hostile to sovereignty violations under the precepts of the liberal international order, and is already building an alternative set of rules, norms, and institutions that seek to circumscribe the ability of the international community to protect and defend individual rights against the wishes of their governments. The point here is not that external intervention will not occur—China has mostly, despite its rhetoric, already abandoned its strict policy of non-interference.<sup>7</sup> What it does mean is

---

<sup>4</sup> Robbie Gramer, “The Islamic State Pledged to Attack China Next. Here’s Why,” *Foreign Policy*, March 1, 2017, <http://foreignpolicy.com/2017/03/01/the-islamic-state-pledged-to-attack-china-next-heres-why/>.

<sup>5</sup> Ralph Jennings, “China May Consider These Countries For Its Next Overseas Military Base,” *Forbes*, October 1, 2017, <https://www.forbes.com/sites/ralphjennings/2017/10/10/china-is-most-likely-to-open-future-military-bases-in-these-3-countries/#7959f7454006>.

<sup>6</sup> Kai Schultz, “Sri Lanka, Struggling With Debt, Hands a Major Port to China,” *The New York Times*, December 12, 2017, [https://www.nytimes.com/2017/12/12/world/asia/sri-lanka-china-port.html?\\_r=0](https://www.nytimes.com/2017/12/12/world/asia/sri-lanka-china-port.html?_r=0).

<sup>7</sup> Sherif A. Elgebeily, “How China’s Foreign Policy of Non-Intervention is All About Selective Action,” *South China Morning Post*, April 30, 2017, <http://www.scmp.com/comment/insight-opinion/article/2091502/how-chinas-foreign-policy-non-intervention-all-about>.

that intervention will occur to protect governments and projects that are important to Beijing. It is also likely that the Eurasian continent overall will become less free and more authoritarian, which is already occurring in places where China has dominant influence.

*Greater coercive capacity over security matters:* Belt and Road is arguably most important for security issues because it creates the perception of a China-led economic order in Asia. As Christopher Johnson at CSIS succinctly put it, BRI helps “to reinforce the emerging global narrative that China is moving to the center of global economic activity, strength, and influence.”<sup>8</sup> This has direct implications for military issues insofar as countries will be increasingly unwilling to partner with the United States or push back on Chinese assertiveness if they believe it will result in tangible and costly forms of retribution. China is already using economic carrots and sticks to coerce U.S. allies and partners to reduce security cooperation with the United States.<sup>9</sup> Prominent recent examples include South Korea (over the Terminal High Altitude Area Defense missile defense system) and the Philippines (over disputes in the South China Sea). Countries as far as Greece are carrying Beijing’s water on political matters in the European Union to reap what they expect to be the spoils of Belt and Road. Beijing’s neutering of the Association of Southeast Asian Nations (ASEAN) over the South China Sea is exemplary of how states and collections of states are likely to defy their national security interests to bend to China’s demands for economic purposes.

### **Security Risks for China**

China will face significant, and in many ways new, security challenges as a result of Belt and Road. These include terrorism, domestic instability in partner countries, and heightened regional rivalry. China’s government, even if cognizant of these risks, is not curbing its ambitions and lofty rhetoric for Belt and Road for at least three reasons. First, there is a deeply-held belief in the stabilizing effects of development, such that over time a successful BRI will resolve, or at least temper, the most acute security challenges. Second, Belt and Road is seen in Beijing as part of an overall effort to revive and transform China’s struggling economy, which is tied to regime legitimacy and social stability. Third, and perhaps most importantly, Belt and Road is personally important to Xi Jinping and is now closely interlinked with his legitimacy and legacy. Chinese bureaucrats have therefore taken on an unquestioning, uncritical drive, regardless of the attendant security risks and political fallout likely to emerge. This is all to say that none of the risks discussed below are likely to weaken Beijing’s enthusiasm and determination over Belt and Road in the coming years.

*Terrorism:* Belt and Road will likely raise the potential for acts of terrorism against Chinese nationals and business interests, both at home and abroad in BRI-recipient countries. Many of the proposed transportation and trade routes pass through areas already suffering from terrorism and insurgency. At the same time, Chinese overseas investments in the developing world have at times fueled resentment when accompanied by corruption, environmental damage, low labor standards, and few economic benefits for local populations. The political exigencies of advancing BRI projects will only increase the likelihood of non-economically viable projects that result in some combination of wasted resources, mounting debt, and abandoned efforts. This could turn and sharpen more extremist venom toward China. Two additional factors could animate these trends. First, China’s own extraordinary and deepening oppression of Muslim

---

<sup>8</sup> Chris Johnson, “President Xi Jinping’s Belt and Road Initiative,” *Center for Strategic and International Studies*, March 2016, p. 2.

<sup>9</sup> Evan A. Feigenbaum, “Is Coercion the New Normal in China’s Economic Statecraft?” *Carnegie Endowment for International Peace*, July 25, 2017, <http://carnegieendowment.org/2017/07/25/is-coercion-new-normal-in-china-s-economic-statecraft-pub-72632>.

Uighurs in western China; and second, Belt and Road infrastructure and energy projects will likely be soft targets, rich with symbolism.

*Domestic instability in recipient countries:* Belt and Road routes through distinctly unstable and ungoverned spaces. By thrusting its economic future and Xi Jinping's legitimacy on BRI's success, China will have an outsized stake in supporting friendly regimes and preserving domestic stability in recipient countries. This is fairly evident transitivity: greater investments leading to greater interests leading to enhanced measures to defend and protect against security threats to those interests. In the first instance, this will result in China providing resources to BRI countries to secure high-profile projects. Beijing has said it will rely on partner countries rather than provide security itself. This is fine in theory, but is unlikely to work: instability already reigns throughout these territories exactly because the host government is unable to provide higher levels of security. China will start with arms sales and technical assistance, but likely will find itself inserting personnel and its own military hardware into recipient countries before too long. That will put China alongside partner countries putting down insurgencies and suppressing dissent. Moreover, if Chinese nationals or businesses fall victim to political violence in recipient countries, Beijing will face considerable domestic pressure to respond with force.

*Heightened regional rivalry:* China is fond of presenting its foreign policies as "win-win" and to the benefit of all countries. This was relatively easy to do when China had a small footprint and was not inserting itself in regional affairs outside of its immediate periphery. This will change as China builds strategic infrastructure and extends its influence and power into contested areas and rivalrous regions. Already, the China-Pakistan Economic Corridor, so far the marque element of BRI, has raised hackles in New Delhi by pursuing investments in territory claimed by both India and Pakistan. Permanent or rotational PLA Navy presence at ports in the Indian Ocean will also heighten tensions with India. Likewise, projects in the Middle East will invariably affect the regional competition between Saudi Arabia and Iran.<sup>10</sup> Projects in Eastern Europe will, even if inadvertently, put a thumb on the scales between Western Europe, the European Union, and Russia. In each instance, China's efforts to not pick sides will become untenable, and Beijing will become increasingly invested in supporting specific parties. Moreover, China's influence will envelop areas that India and Russia consider within their traditional spheres of influence. This will produce overt competition over third countries when and where interests diverge between Beijing, New Delhi, and Moscow. Military relations and security assistance are likely to feature as important elements of those contests.

### **Recommendations for U.S. Policy**

At least five principles should animate U.S. policy in response to potential strategic implications of Belt and Road: first, the U.S. security competition with China remains most urgent and intense in East Asia; second, economics and security are intimately linked and should be considered as essential legs of any policy; third, the United States needs an affirmative economic agenda in Asia, not just a defensive strategy against the negative externalities of BRI; fourth, public narratives are as important as the reality on the ground; five, the potential for backlash against China should not create complacency or give the impression that China's influence is not expanding nonetheless.

---

<sup>10</sup> Ilan Goldenberg and Ely Ratner, "China's Middle East Tightrope," *Foreign Policy*, April 20, 2015, <http://foreignpolicy.com/2015/04/20/china-middle-east-saudi-arabia-iran-oil-nuclear-deal/>.

*Prevent China from controlling the South China Sea:* The analysis above suggests that Belt and Road will draw and allow for greater Chinese military presence overseas, particularly in South and Central Asia. My own research on the implications of greater Chinese force projection capabilities arrived at the following (perhaps non-intuitive) conclusion: in response to China's growing force projection capabilities, the highest strategic priority for the United States should be ensuring that it remains competitive in East Asia and does not cede maritime zones within the "First Island Chain" in ways that give China free range to protect forces from deep within the South China Sea.<sup>11</sup> Belt and Road may solve China's "Malacca Dilemma," but it will not in and of itself alleviate America's ability to hold the Chinese military at risk along its littoral. I have presented my recommendations elsewhere for a comprehensive strategy for the South China Sea, and will only say here that current U.S. policy and inattentiveness is abetting ultimate Chinese control of the South China Sea.<sup>12</sup> If brought to conclusion, this will significantly enhance the coercive value of any overseas Chinese military presence in the Indian Ocean region. Bottom line: if the United States wants to reduce the potential threat of overseas PLA deployments as a result of BRI, it should focus first and foremost on East Asia, specifically the South China Sea.

*Rejoin the Trans-Pacific Partnership:* U.S. withdrawal from the Trans-Pacific Partnership (TPP) constitutes the Trump administration's biggest strategic mistake in Asia to date. Heightened concerns over America's commitment to the region and greater perceived likelihood of a China-led economic order have quickly cascaded into the security realm.<sup>13</sup> As a leading indicator in the South China Sea, regional countries have all but folded their hands in the absence of an alternative pole of power and influence from the United States. Where similar dynamics are present, this trend will likely play out repeatedly if and when BRI investments begin to flow. Although parts of Belt and Road will necessarily fall outside the scope of U.S. efforts to set high-standard trade and investment rules, knitting together TPP with the Transatlantic Trade and Investment Partnership (T-TIP) with Europe would have bracketed both sides of BRI, reducing China's coercive boon, resisting the spread of illiberalism, and creating political space for continued security cooperation with the United States. The Trump administration's strategy of pursuing a "free and open Indo-Pacific region" is the right instinct, but will fail without an economic component on par with the scale and scope of TPP. The Trump administration's approach to revising or even withdrawing from the Korea-U.S. Free Trade Agreement and the North American Free Trade Agreement will also shape the willingness of U.S. partners to engage in trade negotiations with the United States. The military consequences of BRI will be substantially larger without U.S. economic leadership in Asia and globally.

*Engage in active "burden-shifting":* BRI will increase China's interests in the stability and governance of areas where the United States is currently spending considerable resources. Afghanistan is the most obvious example, followed by Pakistan and parts of the Middle East. U.S. policymakers should map areas where China's interests are rising and, concurrently, the United States is overextended or bearing disproportionate costs. Rather than imploring Beijing to "burden-share" or be a "responsible stakeholder," the United States

---

<sup>11</sup> Elbridge Colby, Andrew Erickson, Zachary Hosford, Ely Ratner, and Alexander Sullivan, "More Willing and Able: Charting China's International Security Activism," *Center for a New American Security*, May 19, 2015, <https://www.cnas.org/publications/reports/more-willing-and-able-charting-chinas-international-security-activism>.

<sup>12</sup> Ely Ratner, "Course Correction: How to Stop China's Maritime Advance," *Foreign Affairs*, July/August 2017, <https://www.foreignaffairs.com/articles/2017-06-13/course-correction>.

<sup>13</sup> Ely Ratner and Samir Kumar, "The United States Is Losing Asia to China," *Foreign Policy*, May 12, 2017, <http://foreignpolicy.com/2017/05/12/the-united-states-is-losing-asia-to-china/>.

should consider unilaterally reducing its outlay of resources where U.S. and Chinese goals sufficiently overlap and where China's interests are sufficiently large such that Beijing will pick up the slack.

*Rebuild institutions for U.S. information operations:* The influence China is garnering from Belt and Road—and the ancillary effects on security and military matters of importance to the United States—far outstrip the actual economic value of the projects. In fact, much of what China cites as Belt and Road projects either predate the initiative or would have happened anyway in the natural course of China's economic assistance and activity.<sup>14</sup> Chinese officials have also talked about incorporating Latin America and the Arctic into Belt and Road, which would effectively make it simply a moniker for Chinese foreign policy, not a specific set of initiatives. This calls for more U.S. media and information platforms that can provide a degree of level setting about the facts and fictions of BRI, as well as the degree of U.S. and other country investment and assistance. Citizens in Southeast Asia, for instance, might be surprised to hear that U.S. and Japanese foreign direct investment in their region is considerably larger than Chinese. Both U.S. officials and U.S.-supported media can help to paint a more realistic and accurate picture of BRI. High-level statements voicing concerns about BRI from Secretary Mattis and Secretary Tillerson have been important. The Trump administration's sometimes-heard rhetorical formula is a good one: "In a globalized world, there are many belts and many roads, and no one nation should put itself into a position of dictating 'one belt, one road.'" <sup>15</sup> U.S. officials should also consider talking about the "Belt and Road Strategy," rather than using Beijing's more innocuous "Belt and Road Initiative." It would be even more effective to coordinate these messages with partners, particularly members of the newly-revived Quad (Australia, India, and Japan). The Trump administration has also begun to articulate an alternative vision of a "free and open Indo-Pacific" that protects the independence and sovereignty of regional countries.<sup>16</sup> U.S. foreign policy will have to do more to reflect this commitment to a more liberal order. In addition, current efforts to enhance U.S. broadcasting and information operations, largely in response to Russian disinformation campaigns, should also focus on developing more capable China-related and Chinese-language platforms to report on BRI activities in relevant countries.

*Capacity-building for recipient countries:* It bears underscoring that Belt and Road is not an inherently bad thing, despite the discussion herein of potential security challenges. Clearly, there is demand for more infrastructure in Eurasia, and there is no viable alternative to replace entirely China's potential provision of resources. That being said, negative externalities will develop if recipient countries are subject to corruption and coercion, or caught in debt traps that China exploits for political and strategic ends. At the low end of the spectrum, the United States should consider teaming up with like-minded countries (including Australia, Japan, and Singapore) to provide technical assistance to help recipient countries evaluate proposed major infrastructure projects. Washington should also consider which existing multilateral institutions could act as a clearing house of best practices or a forum to assess BRI projects. Cognizant of potential moral hazard, the United States could also consider working with other advanced economies to make funds available at

---

<sup>14</sup> Gabriel Wildau and Ma Nan, "China's New 'Silk Road' Investment Falls in 2016," *Financial Times*, May 10, 2017, <https://www.ft.com/content/156da902-354f-11e7-bce4-9023f8c0fd2e>.

<sup>15</sup> Wade Shepard, "Why the Ambiguity of China's Belt and Road Initiative is Perhaps Its Biggest Strength," *Forbes*, October 19, 2017, <https://www.forbes.com/sites/wadeshepard/2017/10/19/what-chinas-belt-and-road-initiative-is-really-all-about/#394cbff9e4de>.

<sup>16</sup> Rex W. Tillerson: "Remarks on 'Defining Our Relationship With India for the Next Century,'" October 18, 2017, *U.S. Department of State*, <https://www.state.gov/secretary/remarks/2017/10/274913.htm>.

affordable interest rates for governments stuck in BRI debts traps. Countries like Sri Lanka and Myanmar should have alternatives to handing over vital infrastructure to China if they are indebted to Beijing.