

B3W vs BRI. Discuss

1-Introduction:

An era of power competition has begun unfold. The US-China ^{rivalry} is a full scale, full spectrum strategic competition for wealth, power, influence, both within the East Asia and globally. Each side is determined to maximize its political position and freedom of action relative to the other. Being the two leading super powers, sino-US rivalry is not surprising for political thinkers. unveiled in 2013, china Belt and Road initiative is now a big hit.

Around 139 countries from all over the world has firmly affiliated with the initiative and almost 2600 projects are the part of the plan. The US has always remained a strong critic of initiative. It presented that BRI is the master plan of china to dominate the global. Further, it says that for china, BRI is a strategy to fulfill its geo-political and geo-strategic ambitions and is nothing but a 'debt-trap diplomacy'.

on the hand, china claims that BRI will improve economic and infrastructure of developing countries and is a win win situation for all the members, states.

This year UK has been selected to the 47th G7 summit held in June 11-13 in Cornwall. Canada, ^{UK}, Germany, France, the US, Italy, Japan are the big democracies of G7 countries. It has been observed that china was the main focus of whole summit. Keeping in view the intensifying influence of the BRI, the US is very much concerned to counter china's superman. For this purpose, US

President Biden announced Build Back Better World (B3W) initiative, a covid-19 relief, \$40 billion global infrastructure investment project designed to counter China's BRI-

- 2- **China's BRI - largest infrastructure funding project:**
The Belt and Road Initiative (BRI) was launched in 2013, with the goal of "regional connectivity," "economic integration", and addressing the vast and growing infrastructure funding gaps facing many developing countries.

According to OECD:

Stated that filling the world's infrastructure gap would require US\$95 billion from 2016 - 2030.

Asia alone, According to Asian Development Bank (ADB) would require US\$26 billion to fill its infrastructure gap.

The BRI is one of the largest infrastructure investment processes the world has seen. The initiative involves investing in infrastructure funding projects in almost 70 countries. Since the BRI launch in 2013, it has supported almost 2600 projects worth US\$4.2 billion.

The initiative largely comprises of two main networks.

(1) **The Silk Road Economic Belt:**

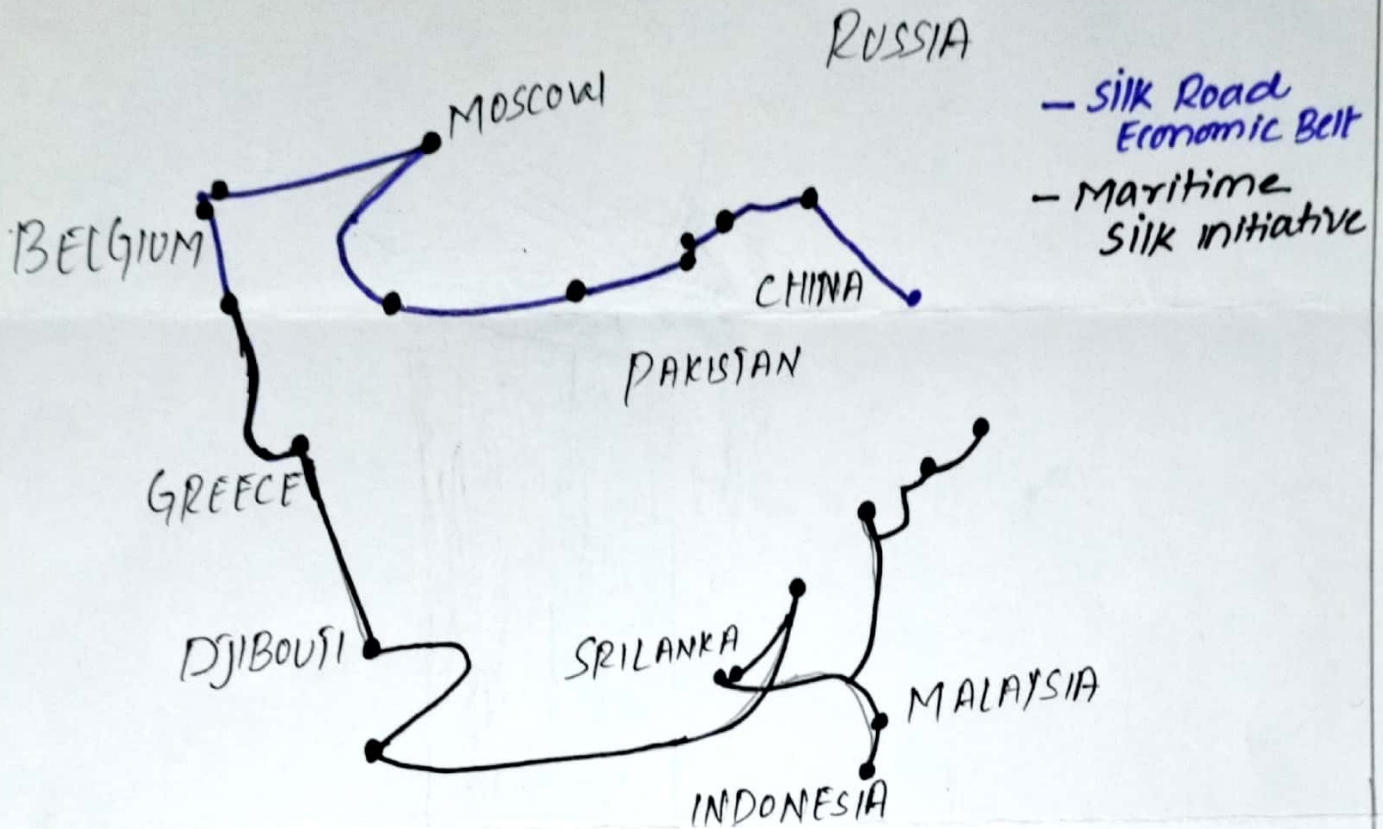
The land network, composed of roads and railways across Asia and Europe.

(2) **21st century Maritime Silk Road:**

The sea network, composed of sea networks, largely consisting of port development

along Indian ocean.

ONE BELT, ONE ROAD



3- G7's B3W - led by the US:

The B3W is described as "a global values-driven, high standards, and transparent infrastructure partnership led by major democracies to help narrow the C\$50+trillion infrastructure need in the development world?"

While BRI is a multilateral initiative with planned contribution by all member states, B3W is led by the US officials from the Biden administration said:

BRI was created as "a positive, alternative vision for the world" that reflect our values, standards and our way of doing business:

The four focus areas of B3W are:
1- Gender Equity and Equality

2- digital, 3- Climate, 4- Health security
technology

According to the US, the Initiative will

“collectively catalyse hundreds of billions of dollars of infrastructure investment for low and middle-income countries in the coming years”

until now, it is just the announcement of a plan, its execution remains vague.

4- Major differences between both initiatives are as follows:

(1) Transport Sector Projects

a) under BRI:

The most important component is the bullet train project on every corridor. The second important component is network of highways and motorways. The third important component is focus on sea routes - china will build 26 seaports under BRI.

(b) under B3W:

Its focus is not primarily on the development of the transport sector/transportation systems with an exception of railway projects announced for Eastern Europe and Japan-ASEAN railway track. This is because its focus is on traditional sea routes.

(2) Energy Sector

a) under BRI:

China under BRI is mostly focusing mostly on energy projects. Its focus is on hydrocarbon

energy projects. Major focus is on oil and gas in the Caspian region - Russia, Asia, Iran, Azerbaijan. Major focus on hydrocarbons in the Middle East - China will be importing hydrocarbons from Caspian regions and Middle East.

b) under B3W:

B3W does not focus on hydrocarbon projects. It solely focuses on clean energy projects. Like wind, solar, and hydroelectric projects (including tidal energy).

3) Clean Energy Projects:

a) under BRI:

China under BRI is focusing on clean / carbon free energy projects. These include hydroelectric projects, wind projects, solar projects and civil nuclear projects. CPEC is the case study in this regard.

b) under B3W:

B3W does not focus on hydrocarbon projects. It solely focuses on clean energy projects like wind, solar and hydroelectric projects (including tidal energy).

4) Special Economic Zones:

a) under BRI:

Under BRI China will invest in Special Economic Zones. It intends to invest in 150 to 200 Special Economic Zones by 2090. Most of them will be in Asia,

Africa, and Eastern Europe respectively.
Among these 10 special Economic zones
will be under CPEC, 23 under Europe-Asia.

b) under B3W

B3W focus is also on the development of
the production sector (industries). Not only
of G7 countries, but of East Asia, Southeast
Asia, Eastern Europe, North and South
America.

5) Agriculture Sector:

a) under BRI:

Under BRI China will increasingly invest in
the agricultural sector. Especially in South
Asia and ASEAN countries. More and more
focus will be on agriculture to meet China's
increasing future demand.

Report — in 2015, China consumed
(CIA Factbook) \$ 800 billion agricultural goods
(UNO)
Prediction — 2025 consumption
will be around \$ 1300 billion

b) under B3W:

On the other hand, B3W does have an
aspect of a food security programme but
it is still not clear how much it would
invest in the agricultural sector.

5. - Mode of investment - under BRI and B3W
Moreover, the mode of investment under
BRI and B3W is different

(i) BRI:

Diverse modes introduced by China. E.g., loan-
based projects - railways etc. China is

making heavy investment in BRI projects under the BOT-build, operate and transfer model. Chinese companies will invest, build projects, and operate it for a particular period and then will transfer to a particular country.

Public-private partnership: majority of the investment in agricultural and industrial sector will be made under public-private partnership and foreign direct investment.

BRI primarily comprises development projects; there is no major investment on the human development index. B3 projects include this-

(2) B3W:

B3W is a loan-based project. Investment will be based on commercial loans for development projects. Loan will be provided

by:

- IMF
- WB
- European Central Bank
- ASIAN Development Bank etc.

A significant allocation would be made for social welfare programmes. There will be a focus on human development index, women empowerment. Aid would be provided to uplift the marginalized sectors/parts of the society.

6- Project Model - BRI and B3W:

BRI is a project of interdependency. It just doesn't have loan-based projects. A significant

Number of projects are public-private partnerships Chinese companies and companies of respective countries with major government investments.

Investment would be made on BOT models. These are the projects of interdependency models. B3 promotes dependency model through loans.

BRI and B3W are the projects that will make respective countries dependent on them, this will influence the decision-making process of government through investment diplomacy.

B3W is primarily launched to contain the growing influence of China.

7 Conclusion:

In a nutshell, BRI is a project that is under practical manifestation. Billions of dollars investment has already been made or is in process. Whether it is Pakistan, Iran, Azerbaijan, Myanmar, ASEAN countries etc. investment must be initiated under B3W.

but if investment initiates then it will be a far bigger project than BRI. The financial constraints of the G7 countries is another hurdle for this initiative.