

China Leadership Monitor

CLM Insights Interview:

Jonathan Hillman, Author of *The Emperor's New Road: China and the Project of the Century*

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Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century*. New Haven: Yale University Press, 2020. Hardcover. 304 pages. ISBN-10: 0300244584; ISBN-13: 978-0300244588

1. You argue that the BRI is, in its essence, an imperial project. Can you elaborate on this argument briefly? Do we have evidence that the BRI has yielded real and significant geopolitical benefits for China so far?

The BRI has much in common with the imperial projects that preceded it. The book makes this point by weaving together stories about China's great power predecessors and their foreign projects in East Africa, Southeast Asia, and even China. There are parallels with the technology China is using, the places it is going, and its advantages over weaker partners. In some cases, literally the same projects are being pursued.

There are important differences as well. Compared to what has come before it, the BRI is even more incremental and economic in nature. That is a consequence of China's own capabilities, especially its massive state-owned enterprises as well as the constraints it faces: well-established international laws and norms, international standards and best-practices against which its projects are compared, and increased scrutiny from citizens and journalists. Building projects in foreign countries was never easy, and it has only become more difficult.

Of course, acknowledging the BRI's imperial character does not mean that it is destined to succeed. Beijing gained some early political victories by rolling out a vision that appealed to the needs of developing countries, but there is growing evidence of buyer's remorse and disappointment. By largely going it alone and striking deals bilaterally, China has been repeating the mistakes of its predecessors, who ultimately decided to band together to share financial and reputational risks through multilateral institutions.

Of potentially greater geopolitical consequences are China's expanded maritime footprint, access to natural resources, and the digital infrastructure it is building globally. With a few exceptions, the BRI's longer-term geopolitical prospects will really be driven by its economic performance. But for now, it looks to be a very mixed bag, to be generous, rather than a masterstroke.

2. What are the most common misconceptions about the BRI outside China? What kind of worries about the BRI are justified? Which ones are not?

There are too many myths to debunk here, but I will highlight three. First, there has been a tendency to inflate the size of the BRI. Sizing it up is difficult. There are no official criteria for

deciding what projects qualify. Timelines are open-ended and projects that predate the official announcement of the BRI are often counted. The geographic footprint is ever-expanding and now includes some 140 countries. Most estimates count project announcements rather than completed projects. Too often, all this results in unconfirmed, incredibly inflated estimates.

Second, there has been a tendency to assume that the BRI is highly centrally managed. That is the impression that high-level speeches and documents might give. But in reality, no apparatus has been rolled out to effectively oversee the “project of the century.” Actors within and outside China have shaped the BRI to reflect their own interests. On the ground, Chinese state-owned enterprises are often the most influential. They have more staff and greater technical expertise than the Chinese officials who are nominally supervising them. These companies answer to the state, but they have their own interests as well. The resulting set of activities has been more fragmented than often assumed.

Finally, there has been a tendency to suspect that every project with poor commercial fundamentals must have a hidden, strategic rationale. In other words, every white elephant is actually a trojan horse. This is overly generous to Chinese officials, essentially assuming that China wins even when it supports bad projects. That is not realistic when you consider the fragmented nature of the process. Getting closer to the truth requires that analysts look closely at individual projects. The United States and its allies need to get better at “triaging” China’s foreign economic activities in order to separate the malign from the benign, effectively harness finite resources, and compete strategically.

3. The BRI is a hodgepodge of disparate projects. Which parts of the BRI directly and substantially advance China’s security and foreign policy goals? Which parts of the BRI make the most economic sense? Which parts make the least sense in either security or economic terms?

Generally speaking, the maritime dimension is more significant than the overland dimension. That does not mean that every maritime project is worthwhile or that every overland project is worthless, economically or strategically. But for all the hype about the BRI reawakening ancient silk routes, references to Marco Polo, and images of camel caravans, we still live in a world where the vast majority of trade travels by sea. China has invested in most of the world’s busiest ports, and it is becoming more dominant across the entire maritime supply chain, producing everything from ships and shipping containers to the cranes that offload cargo. That is a significant development that the BRI has helped advance.

The overland dimension appears to be highly strategic when depicted in maps with economic corridors stretching across the supercontinent of Eurasia. But most of these corridors are still imaginary and not well-defined. There are a few pipelines, existing or proposed, that could enhance China’s energy security, but not to the point of dramatically reducing dependence on maritime supplies. China-Europe rail services have surged during the pandemic, but their growth prospects are limited by a heavy dependence on Chinese subsidies, China’s trade imbalance with Europe, and structural capacity constraints. The exception here is that the digital dimension of China’s BRI, which spans land, sea, and outer space, is increasingly significant.

4. Your experience on the Sino-Russian border is very revealing. Russia appears to have an ambivalent attitude toward the BRI. What are the benefits and potential risks posed by the BRI to Russia's interests in East and Central Asia?

Both Xi and Putin have played up the idea of linking China's Belt and Road with the Russian-led Eurasian Economic Union. For Russia, the potential benefits include prestige, foreign investment, and trade diversification. Russia is also perhaps the country best positioned to spoil the BRI's overland activities. Therefore, Beijing needs Moscow's help, or at least its acquiescence, to continue expanding westward. The risk for Russia is that it is already the junior partner in nearly every dimension, and it is likely to become more dependent on China in the coming years. But Moscow made a calculated decision to tolerate these risks, at least in the near and medium term.

It is important to note that in this area, as in so many others, the BRI has not really delivered on its grand rhetoric. Sino-Russo connectivity remains relatively limited. Trade is highly concentrated in natural resources, where Chinese and Russian interests most strongly overlap. Investment is constrained by corruption and poor infrastructure in Russia, which is riskier than in many developed economies but holds less promise than many developing economies due in part to its declining population. Even as China and Russia cooperate in building digital infrastructure, each side imposes restrictions that limit data flows. Standing in the way of deeper connections are both governments' obsessions with maintaining control.

5. At the beginning of your book, you urge that more attention be paid to the digital component in the BRI, which can potentially be far more significant than its bricks-and-mortar components. Can you explain why you think so and update us on China's progress in building a digital version of the BRI?

The area where I see China potentially gaining the most, and the subject of my next book, is digital infrastructure. The competition around 5G networks has received the most coverage, but China is investing heavily in other consequential areas as well: smart cities, data centers, submarine cables, and even satellite communications. These systems are increasingly vital to the operations of modern economies. By providing them, China stands to gain commercial benefits, intelligence, and coercive capabilities.

As Chinese tech companies face greater scrutiny in advanced economies, they are doubling down in developing and emerging economies. Huawei, for example, is banned from a growing list of Western 5G networks, but it is being welcomed into the heart of government operations in Brazil, Indonesia, Kenya, and elsewhere. We are just starting to grapple with the realities and risks of a world in which the United States and its allies are not the uncontested designers, operators, and rule-makers for global networks.

China still faces challenges in this area, of course. Within China, the government's strict control of communications limits the ability of Chinese companies to connect with foreign networks. Making sense of vast amounts of data and integrating different systems are challenges that China faces domestically, and they are even more difficult internationally. Coordination, project

selection, and oversight difficulties remain. The United States and its allies have companies that are strong in many of these areas, so competition is likely to intensify in third markets.

6. As a whole, the BRI appears not to have delivered the kind of payoffs China has hoped for. What are the adjustments that Xi Jinping has made? What will a significantly revamped BRI look like?

The BRI continues to adapt to meet the circumstances of the moment. In the early days, it was ever-expanding. But “peak BRI” was probably in 2016 and 2017, and since then, there has been a pullback. So going forward, we are looking at a set of activities that is likely to be smaller than it was during those boom years. A smaller pipeline of projects could be a good thing. It provides an opportunity for greater quality control. It might also intensify domestic competition and internal bureaucratic struggles over which projects get the green light.

Under the BRI banner, Chinese officials are now placing a greater emphasis on health, the environment, and digital infrastructure. As always, it is critical to look closely at actions and not take this rhetoric at face value. China’s “Health Silk Road,” for example, predates the pandemic, but it was not very well-developed. At the second Belt and Road Forum in 2019, China unveiled close to a dozen environmental initiatives, but they were not binding, leading to some reasonable criticism about greenwashing. Digital infrastructure has actually been there all along, often incorporated into ports, roads, and other projects that we do not normally think of as “digital.”

But there are some changes underway, especially because Chinese interest groups are seeing an opportunity to meet international demand. China is selling a vaccine, along with health equipment, and its companies are even pitching surveillance equipment for helping to fight the pandemic. Chinese producers of greener energy projects have grown domestically. Xi’s call to build “New Infrastructure” at home, essentially digital infrastructure, will also lead to more capacity that will want to expand into foreign markets. The BRI has been a management nightmare, but its loosely defined nature allows for continued adaptation.

About the Author

Jonathan E. Hillman is a senior fellow with the CSIS Economics Program and director of the [Reconnecting Asia Project](#), one of the most extensive open-source databases tracking China’s Belt and Road Initiative (BRI). Hillman has testified before Congress, briefed government officials and Fortune 500 executives, and written on economics, national security, and foreign policy issues for the Financial Times, Wall Street Journal, Washington Post, and other outlets. He is the author of *The Emperor’s New Road: China and the Project of the Century* (Yale University Press, 2020) and *The Digital Silk Road: China’s Quest to Wire the World and Win the Future* (HarperCollins, forthcoming).

Prior to joining CSIS, Hillman served as a policy adviser at the Office of the U.S. Trade Representative, where he contributed to the 2015 U.S. National Security Strategy and the President’s Trade Agenda and directed the research and writing process for essays, speeches, and

other materials explaining U.S. trade and investment policy. He has also worked as a researcher at the Belfer Center for Science and International Affairs, the Council on Foreign Relations, and in Kyrgyzstan as a Fulbright scholar. He is a graduate of the Harvard Kennedy School, where he was a presidential scholar, and Brown University, where he was elected to Phi Beta Kappa and received the Garrison Prize for best thesis in international relations.