More than infrastructure and connectivity

The Belt and Road Initiative is not just a Chinese idea but a global development that creates jobs, alleviates poverty and improves living standards.

In 2013, President Xi Jinping announced a very ambitious One Belt, One Road Initiative as a major international development strategy to promote cooperation and connectivity between and within countries by building and strengthening physical infrastructure along several routes, including railways, high-speed trains, highways, ports, dams, electrical grids and telecommunication networks. PHOTO: AFP

BRI will promote connectivity between and within countries by building and strengthening physical infrastructure along several routes, including railways, high-speed trains, highways, ports, dams, electrical grids and telecommunication networks.

In order to ensure proper operation of the Addis Ababa-Djibouti railway, the countries involved have invested a lot of money. This model means China will operate the system for six years and thereafter provide technical assistance for another two years. Similarly, for the Mombasa-Nairobi line, a 5+5 model was selected. For the railways, China is training local employees who will gradually take over from their Chinese counterparts. There will also be technology transfer under a capacity-building component.

Three decades of double-digit economic growth has propelled China to become a major global economic, political and military power. Accordingly, many countries and political scientists see the BRI as a geopolitical strategy to ensure China’s global leading role. Thus, the BRI has been perceived as a strategic initiative to build economic corridors and integrate emerging markets. Meanwhile, the BRI has been accompanied by an extensive network of multilateral agreements.

The projects must be cost-effective. Countries are taking massive loans for infrastructure development projects from China, and they should be able to pay back the loans. For the two railways that are now operational in Africa, Ethiopia and Djibouti have purchased credit guarantee insurance for their loans of around US$4 billion. Kenya is confident that the new railway will add 1.5 per cent annually to its GDP and should be able to pay back the loan from income received from passengers and freight in only five years. In fact, Kenya is so confident about the Mombasa Express that in December 2015, it obtained another loan of US$1.5 billion from China to extend the railway further to Naivasha in the north-west.

When this happens, it will most certainly be a win-win for China and Kenya. This will undoubtedly add to the global acceptability of the BRI.

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