Harbors and *Hidden Agendas*

by John Paul "J.P." Thompson

Setting the Course for Understanding China's Belt and Road Initiative

In the early 2000s, U.S. researchers theorized that Chinese investments in the Indian Ocean and Arabian Sea region were part of a broader strategy to develop overseas naval bases to support extended naval deployments in the region, which became known as the "String of Pearls."[1] In 2014 an article in the Center for Strategic and International Studies (CSIS) Pacific Forum stated that "little evidence supports Chinese naval bases along the Indian Ocean littoral, particularly as that specific arrangement may not be beneficial to China."[2] This *may* have been true at the time; however, since then China's Belt and Road Initiative (BRI) has emerged as a focal point in discussions about global economics and geopolitics.

Officially launched by Chinese President Xi Jinping in 2013, the initiative aims to create a network of infrastructure, trade, and economic corridors connecting Asia with Europe, Africa, and beyond.[3] While the BRI is commonly portrayed as an economic venture designed to advance global trade and investment, its implications extend far beyond the financial realm.

The purpose of this article is to examine the dual nature of the BRI, focusing on its economic as well as military dimensions. Utilizing case studies of Chinese investments and activities in Sri Lanka, the Maldives, Pakistan, and Djibouti, this article aims to dissect China's strategic intentions behind these seemingly economic endeavors. Each of the cases investigates the specific economic and military benefits accrued to China and reviews each of the host nations, juxtaposed with existing trade data and geopolitical considerations.

As we navigate the complexities of geopolitics, understanding the underlying motivations of

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China's actions becomes imperative to better recognize and predict their future foreign policies and security strategy. I hope this article contributes to a better understanding of the multifaceted strategies at play, thereby offering valuable insights into future policy-making aimed at preserving regional stability and global maritime security. Also, I hope this allows those in the interagency community to continue to re-visit the question of whether the "string of pearls" is an actuality, and if so, how does this affect the actions of the U.S.? Are her allies in the maritime security arena?

The international community at large has been increasingly cautious about the rise of China as a global power.

Background and Context: Charting and Navigating the Origins

China's BRI, also known as the One Belt, One Road (OBOR), was officially announced by President Xi Jinping in 2013. The ambitious project seeks to revive ancient trade routes, linking China's trading partners in Asia, Europe, Africa, and even South America through a web of railways, roads, pipelines, and shipping lanes. The BRI is touted as a monumental plan for economic cooperation and regional development, aimed at facilitating the free flow of goods, capital, and people. However, the initiative has raised questions about China's ultimate intentions, both economic and strategic.

The rise of China as an economic superpower has been dramatic and its global influence is undisputed. China was the world's second-largest economy with a $17.7T GDP,[4] an expanding middle class, and a growing demand for consumer goods, technology, and energy. Given this context, it is reasonable to expect that the BRI would have considerable economic motivations, such as opening new markets for Chinese goods, utilizing its excess industrial capacity, and securing energy supplies.

However, the way China structures its investments—often providing large loans for infrastructure projects—has raised concerns about 'debt-trap diplomacy.'[5] Critics argue that China is deliberately investing in unsustainable projects to put recipient countries in debt, potentially using it as leverage for strategic concessions. This has been a focal point of controversy in places like Sri Lanka[6] and the Maldives, where significant Chinese investment has not translated into expected economic viability for the host countries.[7]

The geographic scope and scale of the BRI projects inevitably intersect with regions that are of strategic military interest, not just to China but also to other global powers. It is important to note that several BRI projects are located near *key maritime chokepoints, such as the Strait of Malacca, the Suez Canal, and the Bab-el-Mandeb Strait*. The dual-use nature of many infrastructure projects—ports that can handle commercial and military vessels, for instance raises questions about the initiative's role in China's broader military strategy. This is further accentuated by China's increasingly assertive maritime activities, including the presence of its submarines and naval vessels in or near port projects like Sri Lanka and Pakistan to support operations in the area.[8]

The international community at large has been increasingly cautious about the rise of China as a global power. Part of this cautiousness yielded the "string of pearls theory." Additionally, as we have closed the book on the wars in Iraq and Afghanistan, U.S. military and diplomatic strategies are being recalibrated to address the "Era of Intense Strategic Competition,"[9] particularly in regions like the South China Sea, East China Sea, and the Indian Ocean. As the BRI projects continue to proliferate in these sensitive regions, understanding the initiative's dual economic and military objectives becomes crucial for crafting effective geopolitical strategies.

Given this complex backdrop, the primary objective of this article is to scrutinize the multidimensional aspects of China's BRI, particularly focusing on its potential military-strategic implications. In sum, the context within which the BRI operates is multifaceted, marked by economic ambitions, strategic calculations, and geopolitical tensions. This look at BRI investment in strategic locations endeavors to unpack these complexities to present a comprehensive view of the initiative's broader implications.

Case Study #1: Sri Lanka and the Hambantota Port Project

The Hambantota Port Project in Sri Lanka serves as a prime example to explore the complexities of China's BRI. Located in the Southern Province of Sri Lanka, Hambantota Port has been thrust into the spotlight as a critical junction within the maritime Silk Road, part of China's larger BRI. So, let us look at the economic, military, and geopolitical factors influencing China's investment in Sri Lanka's Hambantota Port.

From the viewpoint of economic structuralism, the Hambantota Port Project exemplifies China's strategy of exporting its excess industrial capacity. Built with the promise of transforming Sri Lanka into a key trading hub, the port was financed mainly by Chinese loans.[10] However, despite the optimistic economic forecasts, the port underperformed. Consequently, Sri Lanka found itself unable to repay the mounting debts, leading to a 99-year lease agreement with China in 2017.[11] Critics argue that this arrangement puts Sri Lanka in a 'debt-trap', echoing concerns of economic neocolonialism.

Realism and power politics theories suggest that control over Hambantota serves China's military interests as well. The port's strategic location along major maritime routes offer the potential for dual use, including military purposes. Although Chinese and Sri Lankan officials have denied any military intentions behind this overseas port investment in the past,[12] their actions have often contradict these statements, leading to recent skepticism that Sri Lanka may be the next Chinses overseas military base, following Djibouti.[13] Sri Lanka's decision in 2014 to allow a Chinese submarine to dock at another port in Colombo, is just one example of activities that have raised questions about the possible military objectives behind China's investment in Hambantota.[14]

China might be sing the Hambantota Port to secure its maritime interests and project power across the Indian Ocean. Located near *key shipping lanes that connect the Suez Canal to the Strait of Malacca*, Hambantota provides China with a foothold in a region traditionally influenced by India. Through the BRI, China is reshaping the geopolitical landscape, effectively encircling India and increasing its presence in the Indian Ocean.

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While China promotes BRI projects like Hambantota as opportunities for mutual growth and regional cooperation, the reality often contradicts these claims. Though soft power theory would predict that such a project would enhance China's image as a global leader, the controversy surrounding the Hambantota Port has instead fueled suspicions about China's intentions, both in Sri Lanka and internationally.

Conclusion and Implications

The case of the Hambantota Port illustrates the multifaceted objectives that underpin China's BRI projects. While the economic aspect is evident, it is inextricably linked *with military* and geopolitical interests. Furthermore, attempts at soft power projection through these projects may backfire, particularly when host countries like Sri Lanka find themselves trapped in unfavorable economic conditions. The Sri Lanka example demonstrates that, in the context of the BRI, economic, military, and geopolitical motives are not mutually exclusive but interconnected strands of a complex web of objectives. By closely examining the Hambantota case through a multifaceted theoretical lens, we may garner a more nuanced understanding of the BRI's implications.

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Case Study #2: The Maldives and Chinese Infrastructure Investments

The small archipelago nation of the Maldives serves as another intriguing focal point to understand China's multifaceted strategy under the BRI. Known for its pristine beaches and luxury resorts, the Maldives might appear an unlikely candidate for major international infrastructure projects. However, its strategic location forms key sea lines of communication, connecting the Arabian Sea to the Indian Ocean. This case study aims to unpack the economic, military, and geopolitical dimensions of China's infrastructure investments in the Maldives.

At first glance, the Maldives might not seem like a lucrative investment opportunity for a country like China, which has a limited history of significant trade with the island nation. However, China has been active in providing risky loans for infrastructure projects in the Maldives, including the development of airports, bridges, and housing projects.[15] From an economic structuralist perspective, these investments align with China's broader goal of finding new markets and internationalizing its domestic enterprises. Realist theory provides a lens to assess military objectives behind China's involvement in the Maldives. Notably, in August 2017, three Chinese naval ships docked at a Maldivian port, sparking speculation about China's long-term strategic intentions.[16] The islands of the Maldives form several channels, including the *Eight-Degree Channel* (named so as it lies along 8° N latitude), an *important chokepoint for maritime traffic*. Such naval activities in these strategic corridors indicate a dual-use potential for China's infrastructure investments, which could be leveraged for military gains in addition to economic benefits.

Geostrategic considerations are essential in understanding China's interests in the Maldives. Situated near critical shipping routes, the Maldives offers China a strategic advantage in the Indian Ocean, a region traditionally influenced by India and Western powers. Through infrastructure projects, China may be seeking to reshape the geopolitical landscape and offset India's influence, thereby advancing its own interests in a broader regional context.

Although China has promoted its projects in the Maldives as beneficial for local economic development, these claims often fall short of expectations. Instead of cultivating goodwill and enhancing its soft power, China's actions in the Maldives have resulted in some skepticism and contributed to local political tensions, as well as straining relations with other influential countries in the region like India.

Conclusion and Implications

The Maldives case demonstrates that China's infrastructure investments under the BRI can serve multiple, interwoven objectives. While economic gains are a consideration, they cannot be divorced from the military and geopolitical advantages that these projects offer to China. The dual-use nature of these investments complicates their interpretation and should caution other nations engaging with China under the BRI framework. As with the Sri Lanka case, the Maldives example suggests a complex interplay of economic, military, and geopolitical factors that are pivotal in shaping China's BRI strategy.

Case Study #3: Pakistan and the China-Pakistan Economic Corridor

Pakistan serves as one of the most comprehensive and illustrative examples of China's multifaceted approach within the BRI. The China-Pakistan Economic Corridor (CPEC) is a critical component of this relationship, bringing together economic, military, and geopolitical dimensions.

From an economic perspective, CPEC is a high-profile pillar of the BRI. As reported by Gurmeet Kanwal from the Center for Strategic & International Studies, the Pakistani port of Gwadar is instrumental in connecting China and Pakistan by both sea and land lines of communication; this project "speaks to both the strength of the China-Pakistan relationship and the reach of China's grand strategy."[17] According to the Observatory of Economic Complexity, trade between the two countries has significantly grown; exports from China to Pakistan have increased at an annualized rate of 15%, from $616M in 1995 to $23.5B in 2021, and exports from Pakistan to China have increased at an annualized rate of 11%, from $215M to $3.25B in the same period.[18] This consistent economic engagement suggests that China views its investments in Pakistan as strategically beneficial for long-term economic gains.

While the economic components of CPEC are undeniable, realist theory prompts us to consider the security dimensions. Numerous reports indicate that Chinese submarines[19] and warships have docked at Pakistani ports,[20] and the Gwadar port's location has potential strategic military utility. The dual use of such infrastructure projects reveals a blurred line between economic and military objectives, reinforcing the notion that China's investments often serve a composite agenda.

From a geopolitical standpoint, China and Pakistan have maintained a reasonably amicable relationship. The CPEC not only boosts China's economic reach, but also solidifies a strategic partnership that serves as a counterbalance to India's influence in the region. In the larger geopolitical chessboard of South Asia and beyond, CPEC acts as a lever for China to exert its influence and project power.

China's investments, particularly in the Gwadar port, have not been without controversy. China Overseas Port Holding Company (COPHC) was granted a lease by the Pakistani government for 40 years, and the revenue sharing agreement appears to be skewed in China's favor.[21] Such arrangements led to concerns within Pakistan, creating a narrative that casts doubt on China's intentions and muddies the waters of its soft power aspirations.

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Conclusion and Implications

The Pakistan case study showcases the complexity and multidimensionality of China's BRI strategy. Economic gains are tightly interwoven with military and geopolitical objectives, creating a complex tapestry that nations must carefully scrutinize. Furthermore, China's long-term lease and revenue-sharing agreements suggest an imbalanced relationship that could be detrimental to Pakistan in the long run. CPEC is emblematic of China's broader strategies under the BRI. It serves multiple purposes: an economic venture, a military tactic, and a geopolitical maneuver. Therefore, understanding the various facets of projects like CPEC is essential for any evaluation of China's global ambitions through the BRI.

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Case Study #4: Djibouti and China's Belt and Road Initiative

Djibouti, a small East African nation, has emerged over the last ten years as an improbable yet consequential player in China's BRI. Given its strategic location near the *Bab-el-Mandeb Strait*—a key maritime chokepoint connecting the Red Sea and the Gulf of Aden—Djibouti has become an attractive investment for China.

At first glance, Djibouti may seem an unlikely candidate for significant Chinese investment; it has a GDP below $1.8 billion, a population of less than one million, and few natural resources.[22] However, China has committed to infrastructure projects like the initial $4 billion Ethiopian-Djiboutian electric railway, now merged with the Addis Ababa–Djibouti Railway projects led by the China Rail Engineering Corporation and the China Civil Engineering Construction Corporation (CCECC),[23] as well as a $300 million-plus water pipeline from Ethiopia to Djibouti.[24] Overall China has invested approximately $14B in infrastructure projects and loans from 2012 to 2020. While economic figures suggest a rise in trade (with Chinese export to Djibouti growing from $509M in 2011 to $2.57B in 2021),[25] Chinese investments seem to outweigh the volume of trade, thereby signaling other strategic intentions.

China's activities in Djibouti are arguably more transparent in their military objectives than in other BRI countries. In 2017, China completed construction on its first-ever overseas military base in Djibouti, alongside the commercial Doraleh Multipurpose Port. According to Monica Wang's article for the Council on Foreign Relations, the People's Liberation Army Navy (PLAN) reportedly has exclusive use of at least one of the port's berths.[26] The close proximity of the military base and the commercial port suggests a dual-purpose strategy aimed at both economic and military interests.

The geopolitical ramifications of China's involvement in Djibouti are significant. Located in a volatile region, the base provides China with the capability to exert influence and power across the Horn of Africa and the broader Middle East. Furthermore, Djibouti is home to military bases from other nations, including the U.S., making the area a focal point for great power competition.

China's substantial investments in Djibouti have led to increased scrutiny and suspicion from both the local population and the international community. Given the disproportionate scale of investment compared to the size of the Djiboutian economy, concerns have arisen about the nation falling into a debt trap, a scenario that could further augment China's influence and control.

Conclusion and Implications

China's activities in Djibouti serve as a paradigmatic example of the multifaceted approach of the BRI. Unlike other projects that may emphasize either economic or military objectives, *Djibouti sees a clear blend of both*. Understanding this dual-purpose strategy is essential for assessing China's broader objectives in the BRI and its impact on geopolitical stability. The case of Djibouti underscores the necessity for careful examination and nuanced understanding of China's increasing global footprint.

Conclusion: Beyond the Next Horizon

The BRI has frequently been analyzed through a purely economic lens. However, the BRI is a multi-faceted strategy that simultaneously serves both economic and military interests alike. While economic motives are more explicit in some instances, like Pakistan, the military dimension cannot be dismissed, especially in strategic locations like Djibouti and Sri Lanka. Thus, China's activities under the BRI present a complex combination of economic opportunity and strategic posturing, making it crucial to assess both dimensions for a comprehensive understanding of China's global ambitions.

By recognizing the complexity and dual nature of China's BRI, nations can better anticipate China's future moves, adjust their own strategic calculations, and engage more effectively in this new paradigm of global geopolitics. Specifically, the U.S. and her allies should implement the following strategies.

Strategic Partnerships and Maritime Security

In regions significantly impacted by the BRI, we should not only focus on forming strong strategic partnerships to offset China's influence but also continuing to enhance combined multinational maritime strategies. Given that many BRI projects are situated at key maritime chokepoints, a robust multilateral maritime strategy is essential to safeguard freedom of navigation and national interests. Partner nations should also work towards building domestic capacity in countries receiving Chinese investments, lessening long-term dependency on China.

Transparency and Public Engagement

Affected nations should collaborate with international bodies like the Organization for Economic Cooperation and Development and United Nations Conference on Trade and Development to advance transparency initiatives and combat the risk of 'debt-trap diplomacy.' This should be complemented by efforts to build public awareness through public education, educational institutions, and social media about the multifaceted impacts of BRI projects. A well-informed populace can act as a check against governmental oversights and corruption, making continuous monitoring and adaptation of strategies more effective.

By focusing on these recommendations, stakeholders and the international community at large can develop a more coherent and effective response to the complexities of China's BRI and it maritime and security implications. ***IAJ***

Notes

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