

# GLOBAL VIEWS



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## BRI shows the way

The fact that others are now trying to catch up with China in the field of external economic expansion and assistance may bring worthy results

Of all large countries, China has benefited the most from globalization, which is understood as a long-term process of liberalization and integration of previously somewhat isolated national economies into one interdependent global market for goods, capital and technology.

The question immediately arises: Has China contributed enough in return? In terms of technology transfers, China has taken more



for itself than it has given to others, although recently the situation started changing. After an initial period of absorbing significant foreign direct investment, which China skillfully used for structural modernization and driving technological progress, for several years now it has been investing more abroad than the outside world invests in China. While previously it attracted investments mainly from highly developed countries and transferred modern technologies from there, now China locates investments primarily in poorer countries, supporting their development.

During the recently concluded Belt and Road Forum for International Cooperation, no one had doubts that the Belt and Road Initiative is truly global. This was highlighted by President Xi Jinping in his keynote speech, in which he pointed to eight main trends of the BRI for the second decade. Those include making international economic exchange more inclusive, intensifying scientific and cultural exchange as well as the growing importance of investment in human capital and digital economy. It is important that the need to expand the arsenal of soft aspects of the BRI has been acknowledged. In this regard, the development of various channels of people-to-people relations holds essential meaning.

Critics of the BRI are constantly looking for shortcomings and flaws in this significant project, however, they encounter increasing difficulties in finding them. After all, one cannot ignore the fact that more than 150 countries and 30 international organizations have signed over 200 documents on cooperation with China in the implementation of infrastructure projects. From 2013 to 2023, China invested about \$1 trillion abroad while carrying out a total of about 3,000 projects of various caliber. While taking care of the supply of raw

materials needed for production and acquiring access to increasingly absorbent markets for their own products, Chinese investments and trade have also created millions of jobs — from Bangladesh to Congo, from Pakistan to Nigeria, from Iran to Mozambique. In effect, the mass of the poor — people who did not have any gainful employment and their families — is freed from poverty and look with hope in their home country, and not somewhere far away in a foreign land.

A trillion is a million of millions. Assume very conservatively that every million dollars invested abroad by China created living conditions sufficient for only one person to give up emigration to escape poverty, and that means 1 million people did not have to leave their village or city in search of a better place elsewhere. So, many people did not set out to wander through deserts and seas, thus radically reducing the wave of refugees reaching Europe, which is already unable to cope with the immigration influx. Make no mistake: if it weren't for the BRI, there could be several million more refugees.

China is an increasingly important economic power. Of the 100 largest in the world companies 14 are Chinese. That's four times more than two decades ago. Among the 19 companies established in the past 25 years that are currently worth over \$100 billion, there is not a single European one, nine are US companies and eight are Chinese. This causes irritation and unhealthy jealousy, especially on the other side of the oceans — the Atlantic, looking from Europe, and the Pacific, looking from Asia. The BRI is by no means an instrument for China turning into a global hegemon, as it is stubbornly portrayed in the West. This is especially true of those who cannot understand that the times of hegemony of any country — including the United States — are gone forever. The era of multilateralism and the imperative of negotiating and arranging between global powers in the face of various, often contradictory, ideas and interests has come. The world is big enough and everyone has a chance to fit in it peacefully.

The BRI is also not a charitable mission of China offered to other countries, although it would be a mistake to ignore the assistance dimension of it. There are more aid initiatives with Chinese characteristics. The Luban Workshops (named after a legendary carpenter from the fifth century BC) should

be seen as a success too. Since 2016, China has established nearly 30 such vocational training programs in 25 countries, mostly in the poorer economies of South Asia, the Middle East and Africa. Tens of thousands of young people have graduated from these, later finding paid work in various industries — from production systems using artificial intelligence, through electric vehicles and robotics, to traditional Chinese medicine and culinary art. These workshops also serve as channels for transfers of technology and management skills.

The BRI is, above all, China's way of maintaining the dynamics of its own economy, which is indispensable for satisfying the growing consumption expectations of over 1.4 billion people. To increase production adequately, it is necessary to ensure imported raw materials. This, in turn, requires funds to finance it, which come from the high level of exports to markets subjugated by "Made in China" products.

Other such mega-projects should be viewed similarly, yet not any is big enough to compete with the BRI. This is the case of the European Union's project called "Global Gateway". It is expected to mobilize up to 300 billion euros (\$316.5 billion) by 2027 for the development of global infrastructure and supporting green and digital transformations around the world. Without a doubt, this is a late reaction to the BRI, just like the foreign-oriented aspects of the US' "Build Back Better", BBB. This program of President Joe Biden's administration is basically intended to boost the internal economic situation of the US, but at the same time it may also contribute to faster socioeconomic development in the countries of the Global South. The fact that others are now trying to catch up with China in the field of external economic expansion and assistance may bring worthy results — if only it will be fair competition and not hostile rivalry resulting from excessive ambitions.

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