Opinion – China’s Belt and Road Initiative: Pragmatism over Morals?
Written by Tabita Rosendal

Is China beating the US and EU through its pragmatic approach towards cooperation under the “Belt and Road” Initiative (“一带一路”倡议) (BRI)? Despite the advent of the US’ “Build Back Better World” (B3W) and the EU’s “Connecting Europe Globally” (CEG), evidence from Sri Lanka suggests that some countries still look to China for support due to the ‘no-strings-attached’ nature of its investments. The stark reality is that China’s “pragmatic values”, combined with loans, may outcompete the two Western initiatives.

The US and EU forward their initiatives through a focus on Western values such as liberalism, democracy, freedom of speech, and human rights – all moral frameworks which supposedly lead to ‘good governance’ (US White House, 2021; EU Council, 2021; Yan, 2021; Pleeck and Gavas, 2021; Qureshi, 2021). Conversely, the Chinese Communist Party (CCP) holds that the BRI has pursued a pragmatic framework of non-interference (respecting sovereignty) and ‘win-win’ (mutual benefits) (FMPRC, 2021A; Ginsburg, 2021). In a nutshell, China claims to meet the countries where they are, with investments made in areas or sectors in which they seek support (Li and Vicente, 2020; FMPRC, 2021B; Wang and Cao, 2021: 65). Moreover, non-interference goes both ways: China remains pragmatic about cooperation and urges other countries to do the same, ultimately securing mutual political support in times of strife (China Power, 2017; Dezenski, 2020; Jie and Wallace, 2021). However, while countries do benefit from Chinese investments, China arguably remains at the head of the negotiation table, with its own interests at the fore (Rolland, 2017; China Power, 2017). But what does this mean in practice?

The Belt and Road Initiative in Sri Lanka

In recent years, Sri Lanka has been under international scrutiny due to (refuted) accusations of Chinese ‘debt-trap diplomacy’, i.e., that China has attempted to increase its economic or political leverage over the country through extending excessive credit that Sri Lanka could not repay – the main example being the 99-year lease of Hambantota Port to China Merchants Port Holdings Company (CMPHC) (Jones and Hameiri, 2020).

However, the Sino-Sri Lankan relationship is long-established and has only picked up speed after the BRI’s announcement. The ties were already cemented during the Sri Lankan civil war; when the US cut off aid, China provided investments, armaments, and diplomatic support to the government (Marshall, 2009; Sakhuja, 2009). After the war, when Sri Lanka began investing in infrastructure projects to save its economy, China supplied alternative financing as opposed to the IMF and World Bank (Ferchen and Perera, 2019; Daily FT, 2021).

While Beijing has supported the elected governments of Sri Lanka since the civil war, this support has been piecemeal and problematic, not least due to Sri Lanka’s official policy of non-alignment and continuously close ties with countries such as India (Srinivasan, 2021A; Wignaraja, 2020). Indeed, tensions with the India-leaning Sirisena-Wickremesinghe government (2015-2019) proved difficult to tackle; as India commenced formal visits and proposed large investments, Chinese visits were curtailed. Nevertheless, China worked hard to regain its favor and ultimately succeeded after Wickremesinghe’s dismissal, when China-friendly Mahinda Rajapaksa was appointed Prime Minister (Myers, 2020). By November 25, 2020, China was Sri Lanka’s largest lender, with loans around $923.7 million (Ada Derana Biz, 2020). To complement investments, Sino-Sri Lankan ties have been furthered in areas such as...
as culture under the BRI’s ‘people-to-people bonds’, and ‘pragmatic cooperation’ has been enhanced so that Sri Lanka may learn from China’s governance practices (Srinivasan, 2021C).

The Colombo Port City (CPC) is currently the main BRI project in Sri Lanka; with a stated aim of elevating the country to the level of a ‘small Singapore’, it is the single largest foreign investment in Sri Lankan history with a construction cost of $1.4 billion (Farzan, 2021; LKI, 2020; CHEC Port City Colombo, 2021). However, related projects exercise considerable influence. For example, the East Container Terminal (ECT) / West Container Terminal (WCT) of Colombo port are central to a dispute between Sri Lanka, India, and Japan (Javaid, 2021). The Sri Lankan government unilaterally reneged on the deal for India and Japan to develop the port in February 2021. It was quickly suggested by Indian, Japanese, and US’ sources, including state officials, scholars, and media, that China had pulled its weight in the port to block the advance of the two Quadrilateral Security Dialogue (QUAD) countries (Manoj, 2021; Haidar and Srinivasan, 2021; Singh, 2021). India and Japan ultimately accepted Sri Lanka’s deal to develop the WCT instead, but speculation on China’s role never subsided. However, other players have had their plans in Sri Lanka foiled too.

The US has attempted to counter China’s presence by forwarding strategic cooperation frameworks such as the Status of Armed Forces Agreement (SOFA), which the Sri Lankan government has yet to accept, along with the $480 million Millennium Challenge Compact (MCC) Accord, which the US terminated in 2020 due to a ‘lack of partner country engagement’ (Mendis and Reichenbach, 2020; Economy Next, 2020). Similarly, EU investment schemes in Sri Lanka such as the Generalised Scheme of Preferences Plus (GSP+) have been hit and miss. The country was excluded from the GSP+ in 2010 due to the Civil War, but the scheme was reinstated in 2017 (de Silva, 2020). However, in June 2021, the European Parliament adopted a resolution to temporarily withdraw Sri Lanka’s GSP+ status since the country has utilized the Prevention of Terrorism Act (PTA) to detain critics, activists, and writers. This is set to severely impact Sri Lanka’s economy, as the EU is its second largest trading partner accounting for more than 22.4% of Sri Lankan exports in 2020 (ANI News, 2021; Srinivasan, 2021B).

Meanwhile, China has not dialled down its efforts in Sri Lanka. In addition to infrastructure projects, China has provided economic support to the country during the Covid-19 pandemic and has donated a large quantity of medical equipment and vaccines through its ‘mask diplomacy’ (Chandrasena, 2020; Karunatilake and Pal, 2021). These donations came when Sri Lanka was criticizing the West for turning its back on the nation. Conversely, Sri Lanka’s ambassador to China, Dr. Palitha Kohona, has stated that China will remain Sri Lanka’s ‘closest and most dependable friend’ no matter what the West or India says (Rutnam, 2021). Whether China’s friendship in Sri Lanka is genuine or not, one thing is certain: Xi is a close ally to current president Gotabaya Rajapaksa. However, growing criticism of the CPC along with other BRI projects may test this friendship in the future (Srinivasan, 2021A; Hundlani and Kannangara, 2020).

The question of human rights

As illustrated, Sri Lanka has become increasingly isolated from the West due to its human rights violations during the civil war. Moreover, under the Rajapaksa government, conditions have deteriorated; Sri Lankan critics have been surveilled and harassed, and basic human rights for ethnic groups have worsened (UNHRC, 2021B; DeVotta and Ganguly, 2021). Nevertheless, Beijing has continued to help (Singh, 2018). China voted against the UN Human Rights Council (UNHRC) resolution on Sri Lanka’s human rights record in March 2021, but the resolution still passed. The Rajapaksa government now seems to have rejected the resolution, which risks further alienating the country from the West and the international community (Abeyagoonasekera, 2021).

In return for this support, Sri Lanka has had China’s back. The government has publicly defended the BRI, refuted rumors of debt-trap diplomacy, enhanced military cooperation, and thus far, supported the CPC Economic Commission Bill which may further China’s interests (Rajagopalan, 2021). The two countries seem to have respected the core interests and sovereignty of their counterparts while backing each other in international controversies. This mutual, unconditional support – forwarded under the discourse of pragmatic cooperation – has ensured China’s position in the country.
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Time will tell whether Sri Lanka continues to rely on China for investments, or whether it will address its human rights issues and turn to other nations for support. Currently, the latter seems doubtful. Sri Lanka’s tilt towards Chinese pragmatic values will thus be at the expense of the Tamil population, human rights defenders, and journalists (Amnesty International, 2021).

Money over morals?

While we cannot generalize based on the case of Sri Lanka, it does point to a larger trend in BRI cooperation. Countries with problematic human rights reputations, such as Afghanistan (UNHRC, 2021A; Marsden, 2021) and Pakistan (HRW, 2021; Sacks, 2021), seem to favor China’s pragmatic approach and will likely continue to do so. Other countries struggling to uphold human rights and desperate for investments – developing or developed – could also potentially choose China as their partner (Faiz, 2019).

Therefore, the US and EU may have overestimated the power of Western values as opposed to those associated with Chinese investments under the BRI. Even with the same amount of money for investments, China has a clear advantage: it does not impose conditionalities for aid, at least not like the West does (Dezenski, 2020). As seen in Sri Lanka, it is not a question of money or morals – it is a question of money without morals. Consequently, the B3W and the CEG will struggle to compete with China if the focus remains on forwarding infrastructure with Western values. For years, China has been cooperating with countries that the West would not consider due to their political systems or human rights approaches, and it has strengthened its own bi- and multilateral position through a focus on credibility and assuaging fears of the ‘China threat’. Therefore, despite criticism, the BRI – and the pragmatic values associated with Chinese investments – are unlikely to lose popularity any time soon.

References


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