

The road to world power



BOOK REVIEW

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Bruno Macaes is a former Portuguese Minister for Europe and has authored a well-received book, *The Dawn of Eurasia*, which explored the re-emergence of Eurasia as the likely centre of gravity of a new international order. It focused on China as the key factor in this transition and its Belt and Road Initiative (BRI) as an instrumentality in reshaping the emerging order. Mr Macaes' latest book, *Belt and Road*, takes the story forward. It narrates in sharp relief the breath-taking ambition of the BRI, its domestic and external dimen-

sions, the manner in which China has integrated political, economic, financial and technological assets in driving a project of unprecedented scale and complexity.

The first two chapters, *What is the Belt and Road* and *Nuts and Bolts*, respectively, offer a comprehensive picture of how the worldwide project is unfolding. The next two chapters, which relate the project to the world economy and to current international relations, set the stage for the final chapter on *The World After the Belt and Road*. There are a number of valuable insights in these chapters.

One, BRI represents Chinese conviction that sustaining its march towards centrality in the global system and advanced economy status requires that it should become a rule-maker and standard-setter for the global economy. The current controversy over whether Huawei, the Chinese telecom giant, should be the supplier of choice for the 5-G network across the world

is a case in point. The internationalisation of the Chinese yuan and the creation of a China-based petro-yuan market, leveraging China's dominance of the global and oil trade respectively, point in the same direction. China is using the BRI to impose its own standards and benchmarks in participating countries.

Two, recognising that the global economy is currently structured around global value chains, which are dominated by Western commercial entities, China seeks to use the BRI to create value chains that are led by its own state-owned enterprises or private companies. The importance of this is highlighted by the fact that the US-China trade war is already leading Western companies to relocate key parts of the China-centred value chains to other countries. This exposes China's vulnerability. Through BRI, China is attempting to create, through the more than 120 participating countries, value chains stretching

through them but directed from Beijing.

Three, these value chains will be underpinned by the modern physical and digital infrastructure that is being put in place, as trans-national highways, high-speed railways, fibre optic and under-sea cables, oil and gas pipelines and modern ports. This is the visible and often awe-inspiring component of BRI. These transport corridors are the base for broader economic corridors leveraging local resources, manpower and even cultural resources. This is the vision that underlies the China-Pakistan Economic Corridor. Central Asia and Eastern and Southern Europe are being reshaped most dramatically by BRI and this is the reason the author believes that Eurasia will emerge as the geopolitical cockpit of the future global order eroding the centrality of the Western-dominated trans-Atlantic.

Four, the BRI manifests and incorporates the power of ideas. Its very scale of ambition has captured the imagination of a global audience and it has also become the vehicle for spreading a Chinese value system and ideology across the world. This

explains why at the 19th Party Congress, Xi Jinping held up China's growth model as an example for developing countries. The BRI was put forward as an expression of China's belief in a future "community of shared destiny", a world of interdependence and collaboration, leading to the catch-phrase, "win-win outcomes". This harks back to the old Chinese notion of "Tianxia" or "All Under Heaven", linked together in collective harmony. Left unsaid is the underlying belief that harmony is inseparable from notions of hierarchy, of there being a leader who is able to impose order by rewarding those who conform and punishing those who don't.

Based on these insights, Mr Macaes then analyses four scenarios for the world order in the making, but in effect there are only two: That China becomes a central player but accepts the existing liberal world order as the template through which it seeks enhanced global influence and power; or that it remakes the global order in its own image, altering the very structure and values of the world system. The nature and scope of BRI leaves us in no doubt that

China is committed to the latter vision.

Mr Macaes has a Preface in the Indian edition looking at India's options vis-à-vis BRI. He finds India's response to BRI critical but also apprehensive that its success may push India to the margins of the emerging world order. This is true, but BRI is a long-term project and not assured of success. The US-China trade war has exposed the several serious vulnerabilities in China's economy. Its grand economic vision is contradicted by its political brittleness and the deep insecurity of its leadership. There are countervailing forces that contest whatever plans China may have for re-ordering the world system. There is no need for India to throw in the towel just yet.

The reviewer is a former Foreign Secretary and is currently Senior Fellow, CPR

BELT AND ROAD: A Chinese World Order

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