



BELT AND ROAD INITIATIVE (BRI) AND SRI LANKA: A REVIEW OF LITERATURE

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ABSTRACT

Belt and Road Initiative (BRI) project is one of the most dominant trade policies initiated by the Chinese government. It connects one hundred and forty-six countries occupying more than fifty per cent of the world's gross domestic product. Thus, BRI has become an indispensable perspective of forecasting trade performance between regions in the coming years. This study employs an evidence-based approach and critically evaluates the existing arguments on the BRI project and the possible strategies to mitigate the negative impacts of the project with special reference to Sri Lanka. Further, it attempts to summarize some key facts related BRI's engagement in the regions such as the South-East Asia, Europe, Indo-Pacific, and the South Asia. The findings of the study discover the heavy domestic focus of the BRI objectives. Existing financial incompetence, lack of physical capital, and technology gap are the main motives for developing economies to engage with the project. Geopolitical repercussions, security problems, and the debt trap are the highlighted adverse impacts of BRI. Several developing countries like Nepal have adequately accomplished the BRI projects domestically. Sri Lanka has benefited from BRI in several aspects and experienced several difficulties in power rivalry, autonomy and independence, growing debt burden, transparency and corruption. The study concludes the higher potential of BRI to approach developing countries' growth-related shortages and the possibility of emerging geopolitical repercussions. Thus, it recommends implementing a practical government framework to manage BRI domestically. This study recommends governments to enhance transparency and accountability related to the project's affairs, while maintaining economic feasibility and environmental sustainability. Furthermore, practicing a rational process for project selection and implementing efficient evaluation are recommended.

KEYWORDS: *BRI, Developing Countries, Economic Development, Geopolitical repercussions, Sri Lanka*

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1. INTRODUCTION

BRI, the most determined China's foreign trade and investment project, has implicitly converged on uplifting the connectivity and cooperation among regions; especially Asia, Africa, and Europe. The project consists of two divisions called the Silk Road Economic Belt (The Belt) and the 21st Century Maritime Silk Road (The Road). The Belt covers China's land area to Europe through Central Asia, whilst the Road extends China to Southeast Asia, the Middle East, East Africa, and Europe. It operates along the Mediterranean, the Indian, the Atlantic, and the Pacific attaching over 20 countries (Igbinoba, 2017). Chinese engagement through financial investments and contractual cooperation for the first half of 2022 in the 147 countries of the Belt and Road Initiative was about US\$28.4 billion (Nedopil, 2022).

The Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund which account for US\$40 billion are mainly funding the BRI. Thus, the BRI project is vital in anticipating trade performance between regions in the coming years. Critical evaluation of the objectives, opportunities, and risks of BRI will discover the existing research gaps and indicate the way forward.

BRI has consisted of different kinds of objectives. Even though policy coordination, connectivity, unimpeded trade, financial integration, and people-to-people bonds are the theoretical five fundamental aspirations, the project's expected outcomes could be different in reality. The real intentions of the project are related to the causes of the origin of the project.

Cai (2017) has examined the profound reasons for the implementation of BRI. Although China has already enhanced itself as a country with a higher economic growth rate, it has exhibited substantial income disparities among its domestic regions. On the other hand, Chinese construction firms and industries account for a significant excess capacity. This remaining excess capacity is an indirect result of the government's actions to boost the economy during the period of economic recession in 2008. The overall

context of the country reveals two main intentions of proceeding with BRI. Addressing China's deepening regional disparity and investing country's chronic excess capacity could be the project's favourable objectives (Peter, 2017). Thus, the objectives of the BRI will have a heavy domestic focus.

Identifying the real focus of executing the BRI is vital to foretelling the challenges and possibilities that the participating countries could face. Even though the project's theoretical aspect has immensely highlighted economic cooperation, the long-term concentration of the BRI goes beyond that. It has emphasized that the BRI project is a geopolitical plot than a purely economic one (Peter, 2017). The reason for this implication could be the geostrategic attention of the project than the geo-economic focus. Several studies have classified the strategic priorities of the BRI that prove the above-discussed argument. Strengthening China's "Go Global" policy, Expanding Chinese exports to BRI participating countries, promoting the structural changes of the Chinese firms, strengthening China's geopolitical role, and managing the industrial oversupply of Chinese firms have been highlighted as the strategic priorities of the BRI (Mckenzie, 2017). Most significantly, these strategic priorities have extensively influenced to determine the extent of the benefits and risks that are going to be experienced by the participating countries.

2. METHODOLOGY

The primary objective of this study is to investigate the existing arguments on the BRI project and the possible strategies to mitigate the negative impacts of the project with special reference to Sri Lanka. Secondly, this study has summarized some key facts related to BRI's engagement in the regions such as South-East Asia, South Asia the Europe. Therefore, an evidenced-based approach was utilized to analyze the existing literature. This study is analytical and explanatory in nature based on a literature review. Secondary data sources such as journal articles, book chapters, and reports were used for a narrative analysis to review and analyze the findings of several researchers.

3. RESULTS AND DISCUSSION

3.1 International Experience of BRI

Most countries have already admitted and cooperated in the Chinese BRI project. The Belt and The Maritime Road have evolved as the key pillars of connecting economies to the BRI. The Belt has emerged as the significant logistics corridor and the transshipment hub for Central Asia and Eastern Europe while the Maritime Road has been linking Southeast Asia, South Asia, the Middle East, and East Africa. Consequently, there are already more than 1700 BRI projects, either completed or in progress (Mckenzie, 2017). Cumulative BRI engagement since the announcement of the BRI in 2013 is US\$932 billion, about US\$561 in construction contracts, and US\$371 in non-financial investments (Nedopil, 2022).

Moreover, BRI has developed six main trade corridors such as China-Indochina, China-Myanmar, Bangladesh-India, China-Pakistan, China-Central Asia-Western Asia, New Eurasian Land Bridge, and China-Mongolia-Russia (Mckenzie, 2017). Although the project has been widely spreading its partnerships, one of the main obstacles the BRI faces is India's inactive participation (Wijayasiri & Senaratne, 2018). Nevertheless, BRI is substantially engaging in trade and spreading its partnerships with Pakistan, Bangladesh, and Sri Lanka discounting India's inactive engagement.

Most developing economies have engaged in BRI, due to the existing financial incompetence, lack of physical capital, and the technology gap. BRI projects align with several sectors such as transport, energy, water and sanitation, urban development, and information and communications. Mineral resources are among the primary sectors that receive most Chinese investment, especially in the Central Asian region.

3.1.1 BRI and South-East Asia

Indonesia, a Southeast Asian country, has involved itself in BRI and encountered both positive and negative impacts. Indonesia has profited from the BRI, especially with foreign direct investment (FDI). One of the crucial examples of this is the High-Speed

Rail Project (HSRP) which links Jakarta to Bandung. Even though land ownership issues have arisen, these development projects have filled the technology gap and financial burdens. A comprehensive investigation of FDI to Indonesia exhibits that before 2013 China has a small proportion.

Nevertheless, after 2013 China has become the third-largest investor in Indonesia (Tarmidi & Gammeltoft, 2013). Furthermore, Indonesia has introduced an investment plan to the BRI forum, and the plan proposes to develop four economic corridors in the country. The plan is called "Regional Comprehensive Economic Development Corridors", and the four corridors are located in the islands such as North Sumatra, North Kalimantan, North Sulawesi, and Bali. The whole investment plan consisted of 30 projects worth US\$ 91.1 billion (Pratiwi, 2020). These development projects are expected to boost the economic growth of the country.

Even though there are massive opportunities for Southeast Asian countries, there are several challenges (Cox, 2018). Pratiwi (2020) has investigated two types of negative impacts of BRI in Indonesia: security problems and the debt trap. With the implementation of the BRI projects in Indonesia, the grass root level people have been becoming vulnerable, and they could receive ill treatment and injuries due to the lack of a safe work environment. Furthermore, Indonesian workers could lose their jobs due to increasing imports of textiles and steel. There is a tendency to increase Chinese workers in the Indonesian labour market. Hence, human security issues, land ownership issues, and labour market issues are the significant concerns of Indonesia's security problems with BRI. Although Indonesia accounts for a considerable volume of debt to China, it has not yet been recorded as a debt trap. However, countries such as Tajikistan, Kyrgyzstan, Maldives, Laos, Pakistan, Montenegro, Mongolia, and Djibouti are highly vulnerable to debt distress (Hurley, Morris, & Portelance, 2018).

Exporting China's technological and engineering standards is one of the intentions of BRI (Breznitz & Murphree, 2013). Even though the BRI has been filling the technology gap, Indonesia has experienced increasing dependency, since it has to hire experts

from China (Pratiwi, 2020). However, it is possible to identify several policies that can mitigate the adverse effects of BRI to Indonesia. Indonesia should transfer BRI investment into the domestic industry with great advantage and something that Indonesia cannot do. Significantly, 270 BRI infrastructure projects in the Southeast region are on hold because of the lack of funding (Greer, 2018). Thus, Indonesia can guarantee the technology transfer from China so that Indonesia could work independently when the Chinese leave in the middle of the underway project. Furthermore, promoting environmental sustainability, considering the communities surrounding the project, and employing domestic workers at the maximum proportion could be effective policy solutions to manage the harmful effects of BRI projects. Therefore, if the economy is engaged in BRI projects, necessary policy adjustments should be formulated to deal with diverse effects.

3.1.2 BRI and the Indo-Pacific Region

Similarly, China's rapid economic growth and massive investment capability have created substantial geostrategic repercussions in several regions. Most of these geopolitical consequences have been generated in the areas where there are existing geopolitical conflicts between China, and the USA are already on the rise (Gong, 2019). The Indo-Pacific region has become one of those significant regions. Gong (2019), examined how the dynamics between BRI and the United States impact the Indo-Pacific region. Although China interprets the BRI as an economic cooperation and development platform, most Western countries, especially the USA, have observed and highlighted the Chinese geostrategic intention. According to the US National Security Strategy, BRI was a Chinese attempt to "displace the United States in the Indo-Pacific region" (Wuthnow, 2018). Thus, the USA has taken several actions to control China's involvement in the Indo-Pacific region. As an example, the United States (US) has become more determined to promote the free and open Indo-Pacific Strategy (FOIP) (Department of Defence, 2019). If it needs to control the BRI engagement to the Indo-Pacific region, the USA should facilitate its existing financial and

technological gap. Hence, the United States has initiated financial arrangements in cooperation with associates to counter China's BRI financing. The US Chamber of Commerce and the US-India Business Council and the US-Japan Business Council have launched the Indo-Pacific Infrastructure Trilateral Forum to facilitate India's private sector (The Economic Times, 2018). Furthermore, the ASEAN minister-level meetings in August 2018 have launched an investment package of US\$ 113 million for technology, energy, and infrastructure initiatives (CNBC, 2018). Within this context, the BRI engagement has caused the rise of geopolitical repercussions. However, if the developing economies' governments promote a balanced foreign policy, they would potentially obtain economic development from the Western (US) and Eastern (China) world.

3.1.3 BRI and the Europe

BRI involvements in the European Union are diverse. Although the BRI has played a vital role in the Indo-Pacific region's geopolitical context, it has not yet substantially engaged in economic cooperation agreements with the European Union (EU) and EU countries. Most significantly, the European think tanks have reviewed a significant modification of the BRI targets between the initial and present stages. At the initial stage, BRI targeted to create successful projects for reviving the ancient Silk Road through improved connectivity and infrastructure. Nevertheless, in the second BRI forum in 2019, it was highlighted that BRI supports free-market principles and macroeconomic policy coordination.

Further, BRI has started to keep opening up the Chinese economy to foreign investors and increasing its imports (Roctus, 2020). In reality, China has not yet opened its economy to foreign investors, especially European stockholders. Based on the context, the EU's participation in the BRI is still inactive. Nevertheless, the European Union can play a vital role in the BRI since, according to the Chinese perspective, the EU is the "final destination" of BRI. As the first EU member state to sign a joint statement on BRI, Hungary might play such a pioneering role in Europe. Moreover, the EU and the western European member states would be the only potential

economies for BRI because of China's worsening relations with most developed countries such as Japan, South Korea, Australia, Canada, and the United States. Thus, it concludes that the EU and the Western European member countries would be the high potential states that can determine future BRI performance.

3.1.4 BRI and South Asia

BRI linkages with South Asian countries have already gained global attention. Though India, the robust regional economy, is inactive in the BRI discussions, smallest South Asian countries – Sri Lanka, Maldives, Nepal, and Bangladesh – have made significant BRI connections. These countries have been obtaining the benefits of BRI through trade and infrastructure development projects. According to most Indian and US analysts, the BRI linkages with small South Asian countries have aimed to strengthen Chinese military bases. However, Samaranayake (2019) has provided a deeper understanding of South Asia's smaller countries and their developing engagement with China. The region's trade statistics reveal that the United States is the most favourable export destination for many South Asian countries, especially Sri Lanka and Bangladesh, whilst China remains one of the top sources of imports. Nevertheless, the Maldives is the only small South Asian country engaged in a free trade agreement with China. Based on the context, analyzing the risks and opportunities obtained by the South Asian countries from BRI has become much more complicated. However, the literature highlights two main drawbacks for South Asian countries from the BRI. Emerging geopolitical security risks and the foreign debt trap are the most critical issues.

Analyzing the country-wise situations reveals different settings. As an emerging economy with a higher population, Bangladesh has mostly been connected with BRI for development projects in sectors such as power, infrastructure, information, and communication, and technology. In October 2016, Bangladesh received US\$ billion for 27 development projects. Furthermore, Bangladesh has been negotiating with China to obtain loan terms for other projects under BRI. These loans cover six projects in Dhaka; two power plants (\$3 billion), the

Padma Bridge rail link (\$3.1 billion), Info Four broadband network (\$1.56 billion), a telecommunication network project (\$1.6 billion), and a single-point mooring terminal to supply fuel (\$5 billion) (Kallol, 2017). Even though Bangladesh has engaged in various development loans with China and BRI, it is not vulnerable to a debt trap (Samaranayake, 2019). Thus, Bangladesh involves in a progressive way of achieving development tasks with BRI.

Nepal, a small South Asian country, has concerned China as an alternative option that facilitates possibilities beyond India. The BRI investment in Nepal has mainly motivated the transportation, tourism, and energy sectors. The literature confirms that Nepal is associated with both loans and donors from BRI. One of the recent agreements between Nepal and China was signed in 2018, and it has facilitated BRI cooperation on railway connectivity between Kathmandu and the Tibetan border point of Kerung. Further, the country has engaged in several loans such as US\$ 156 million for the Pokhara Airport project (the second international airport), and US\$55 million for general economic and technical cooperation (Ministry of Finance, 2017). Even though Nepal has already obtained development loans from BRI, Nepal does not indicate a debt risk (Samaranayake, 2019). Moreover, Samaranayake (2019) has emphasized that Nepal has obtained more BRI benefits than the other countries in the region since it is the highest recipient of grants and foreign direct investment. Though Nepal is a small country, it has substantially managed the BRI domestically and attempted to obtain maximum benefits.

3.2 BRI and Sri Lanka

As a South Asian country, Sri Lanka has received more attention than other countries due to its geographical location. This location is critical in the BRI project since it could be a hub that provides facilities for the easy transformation of Chinese exports and imports. The cumulative value of Chinese infrastructure investment in Sri Lanka between 2006 and 2019 is US\$ 12.1 Billion (Wignaraja, Panditaratne, Kannangara, & Hundlani, 2020). China's energy imports from the Middle-East and Africa's mineral exports go through Sri Lanka

(Palit & Spittel, 2013).

Several studies have examined the opportunities and risks from BRI in Sri Lanka. Sri Lanka has benefited from BRI for various development projects, especially in transport, water and sanitation, urban development, and information and communication. Among the number of BRI projects in Sri Lanka, Hambantota Port, Norochcholai Power Station, Colombo Port City project, and the Mattala International Airport project have taken significant attention. Wijayasiri and Senaratne (2018) identified trade, investment, hard and soft infrastructure, the economic hub, development of the global value chain, growth in tourism, discovery, and utilization of marine resources, technology, and knowledge transfer employment opportunities as essential assistance. Jayamaha (2017) has discovered regional connectivity via ports, airports, roads, and transmission towers; increased foreign investments into the country, easy access to new exports markets, exploration of marine resources and the exclusive economic zone, and participation in the digital revolution in the financial services as the positive outcomes of BRI in Sri Lanka.

However, there are several various kinds of drawbacks discussed in the Literature. Sri Lanka has spent the last decade balancing precariously while pursuing BRI-related economic and other benefits from China. The participation of Sri Lanka in the BRI has raised concerns over potential power struggles. This is mostly due to Sri Lanka's participation in the BRI and India's absence from it. Since the BRI has sparked concerns about China's plans in the Indian Ocean, India, Japan, and Western nations have paid close attention to Sri Lanka's involvement with the BRI Chinese investment in Sri Lanka, particularly in the ports of Colombo and Hambantota. Therefore, Sri Lanka is caught in a power struggle involving powerful economies like the United States, India, China, and Japan due to its strategic location at the heart of the Indian Ocean. (Wijayasiri & Senaratne, 2018).

The US\$ 1.2 billion Hambantota Port Development project is one of the major high-profile infrastructure projects that Sri Lanka pursued with BRI funding. Several reports and articles in newspapers have

criticized the Sri Lankan government engagement in this development project. The main argument for the criticism is obtaining Chinese BRI loans and investing in unproductive projects. It has emphasized that feasibility studies of the project had not recommended the constructions. However, some studies have indicated that though the development planning experts have criticized the Hambantota Port Development project, there are several reasons for the justification. In 2005, the government presented the initial project proposal, and President Chandrika Kumaratunga requested a bunkering system and a tank farm project (Samaranayake, 2019). Furthermore, Rebuilding Hambantota after the devastating tsunami in 2004 was another necessity. Moreover, the Hambantota-salt-producing region of the Southern Province of Sri Lanka has been underdeveloped. Thus, the domestic stability and security obtained after the civil conflict has drawn the government's attention to constructing the project to position Sri Lankan ports as regional and global trade hubs within Asia and East Africa (Mariyathas, Perera, & Yehiya, 2016). However, on 29 July 2017, the government of Sri Lanka and China Merchants Port Holdings Ltd signed a Public-Private Partnership Agreement to develop Hambantota Port under a 99-year lease. Even though most studies have highlighted that this is due to Chinese BRI's Sri Lankan debt trap, some studies have discovered this as a common challenge that low-income countries experience when transitioning to middle-income status (Samaranayake, 2019). However, a common critique against both Hambantota Port and Norochcholai Power Plant is that those projects have not met international standards concerning feasibility studies and domestic legislation processes (Hundlani & Kannangara, 2020).

There are concerns that Sri Lanka would lose some autonomy in how it manages these assets because ownership of important state infrastructure is linked to such firms. China's ownership of the troubled Hambantota port in Sri Lanka aroused concerns about a possible loss of sovereignty. Infrastructure development initiatives are frequently motivated more by political than by economic factors. It is highly doubtful whether future project profits would be sufficient to fully satisfy repayments to Chinese

creditors due to the lack of financial imperatives driving BRI initiatives. The Mattala Rajapaksa International Airport is a prime example. Based on these circumstances, Wijayasiri & Senaratne (2018) have outlined potential issues with BRI for Sri Lanka including power struggles, independence and autonomy, a mounting debt load, transparency and corruption, low investment returns, public perception and opposition, pollution and sustainable growth, and changes in government and policy.

The argument put up by Wijayasiri & Senaratne (2018) when analyzing the debt diplomacy in Hambantota port investment has been backed by Wibisono (2019). It has been established that China engaged in debt diplomacy with Sri Lanka in three stages and was successful in acquiring the Hambantota Port through the signing of a 99-year lease. The three phases are: (1) the investment phase; (2) the construction and operating phase; and (3) the expropriation and debt collection phase. In the case study of the Hambantota Port, China was able to ensnare Sri Lanka with loans that had high-interest rates and terms that were advantageous to China, like the hiring of Chinese firms for port expansion projects. Political interference, such as full support for the China-friendly Mahinda Rajapaksa regime, serves to amplify China's influence over development initiatives. Due to high-interest foreign debt bondage in significant infrastructure projects that ensnared Sri Lanka in China's debt diplomacy, Sri Lanka was compelled to adopt a \$ 1.12 billion debt relief deal in exchange for handing over the 99-year lease of Hambantota Port (Wibisono, 2019). Chaudhury (2019) provided additional evidence in support of this claim by pointing out the growing geo-economic significance of the Indian Ocean and the so-called Malacca Dilemma that China has been obliged to work around as a result of its reliance on energy supplies. It has been underlined that as Sri Lanka is already heavily indebted, China's expanding investments will have a negative long-term effect on that nation (Chaudhury, 2019).

Weerakoon & Wijayasiri (2019) presented a different viewpoint on debt and diplomacy associated with the BRI when talking about the Opportunities and Challenges for China-Sri Lanka Economic Relations.

It has been underlined that only a small number of "important" infrastructure projects from the huge portfolio of Chinese-funded initiatives have attracted significant international attention. The Hambantota port, which lies at the southernmost point of Sri Lanka, is the most disputed. The notion that Sri Lanka is likewise burdened and overwhelmed by its debt to China has not been supported by the data on debt, which has been highlighted as being the most relevant point. After making up 0.5% of the total debt in 2006, Chinese loans made up slightly over 9% of Sri Lanka's entire foreign debt in 2018. Furthermore, as part of a larger "Asian pivot" strategy to benefit from growing trade and finance flows, emerging Asian economies like Sri Lanka stand to earn significantly from participation in the BRI process (Weerakoon & Wijayasiri, 2019).

The idea presented by Weerakoon & Wijayasiri (2019) has been supported by Hundlani & Kannangara (2020). The debt trap is a significant issue discussed among these drawbacks. However, most analytical studies have revealed that Sri Lankan debt issue goes beyond one country – China. Most significantly, Sri Lanka's debt to China has accounted for only 6% of the GDP, whilst 27% of the GDP has owed to the international financial markets and multilateral lenders like the World Bank (Hundlani & Kannangara, 2020). Furthermore, Sri Lanka's debt to China is 5.5 per cent of the country's total debt, and 94.5 per cent of Sri Lanka's debt is not to China (Samaranayake, 2019). Thus, even though Sri Lanka's foreign debt to China is significant, its debt issue has gone far beyond that of any country.

Various studies have looked at potential solutions for addressing the negative effects of Sri Lanka's participation in the BRI and measures to maximize the positive effects on the country's economy. Wijayasiri & Senaratne (2018) draw the conclusion that the BRI will need to do more than merely construct physical infrastructure if it is to be successful in fostering ties between China and Sri Lanka. To more effectively integrate into global value chains, the country must implement structural changes, better trade policies, and an improved investment climate. Soft infrastructure is also essential. The underlying difficulty of identifying

environmentally friendly and economically successful initiatives cannot be solved simply by providing financing. Additionally, it has been underlined that as Sri Lanka participates in the BRI, it must balance its relations with China and other significant powers that have an interest in the Indian Ocean (Wijayasiri & Senaratne, 2018).

Weerakoon & Wijayasiri (2019) emphasized that more has to be done to solve flaws in Sri Lanka's FDI framework if benefits from the BRI are to be realized and debt accumulation is to be controlled more efficiently. Additionally, improved connection between China and Sri Lanka is fostering not only commercial ties but also other forms of intercultural contact in industries like tourism. Sri Lanka will be in a better position to approach the ASEAN for a dialogue partnership and eventually link up with the China-led Regional Comprehensive Economic Partnership (RCEP) process taking shape in the Asian neighborhood if it has bilateral FTAs with China and India in addition to some selected Southeast Asian economies (Weerakoon & Wijayasiri, 2019).

Jayathilaka (2022) has also stressed the importance of these tactics. Policies including increasing export performance to reduce the country's trade deficit with China, luring more Chinese investment through improved bilateral ties, and luring more Chinese visitors have all been promoted. Additionally, Ruwanpura, et al. (2020) have looked at the presence and absence of underdetermined components that indicate existing narratives do not sufficiently consider potential ruptures that may exacerbate the effects of mega infrastructure and related environmental degradations. Thus, the requirement for greater regional study on the BRI is highlighted.

4. CONCLUSIONS AND RECOMMENDATIONS

The analytical review of existing literature confirms that the Chinese BRI project has influenced various countries in different aspects. It emphasizes the possibility of occurring geopolitical repercussions,

especially in the South and East Asian regions. Power rivalry, autonomy and independence, growing debt burden, transparency and corruption, low investment return, public perception and opposition, pollution and sustainable growth have been identified as the potential concerns around BRI for Sri Lanka. Even though there are several positive impacts, governments should implement effective frameworks to mitigate the adverse effects.

Governments must share information on planned projects more openly and honestly. This applies not only to the terms and conditions of loan disbursements, but also to the protocols for environmental protection, economic feasibility analyses, population displacement, and other issues. The idea that expensive Chinese loans are funding political vanity projects or fostering a corrupt climate will endure in the absence of openness and accountability systems. To securely traverse the new funding landscape, solid national debt management processes and protections on project selection and evaluation are required at the national level.

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