

# The Chinese Belt and Road Initiative and its Impact on Democratization and De-Democratization Processes

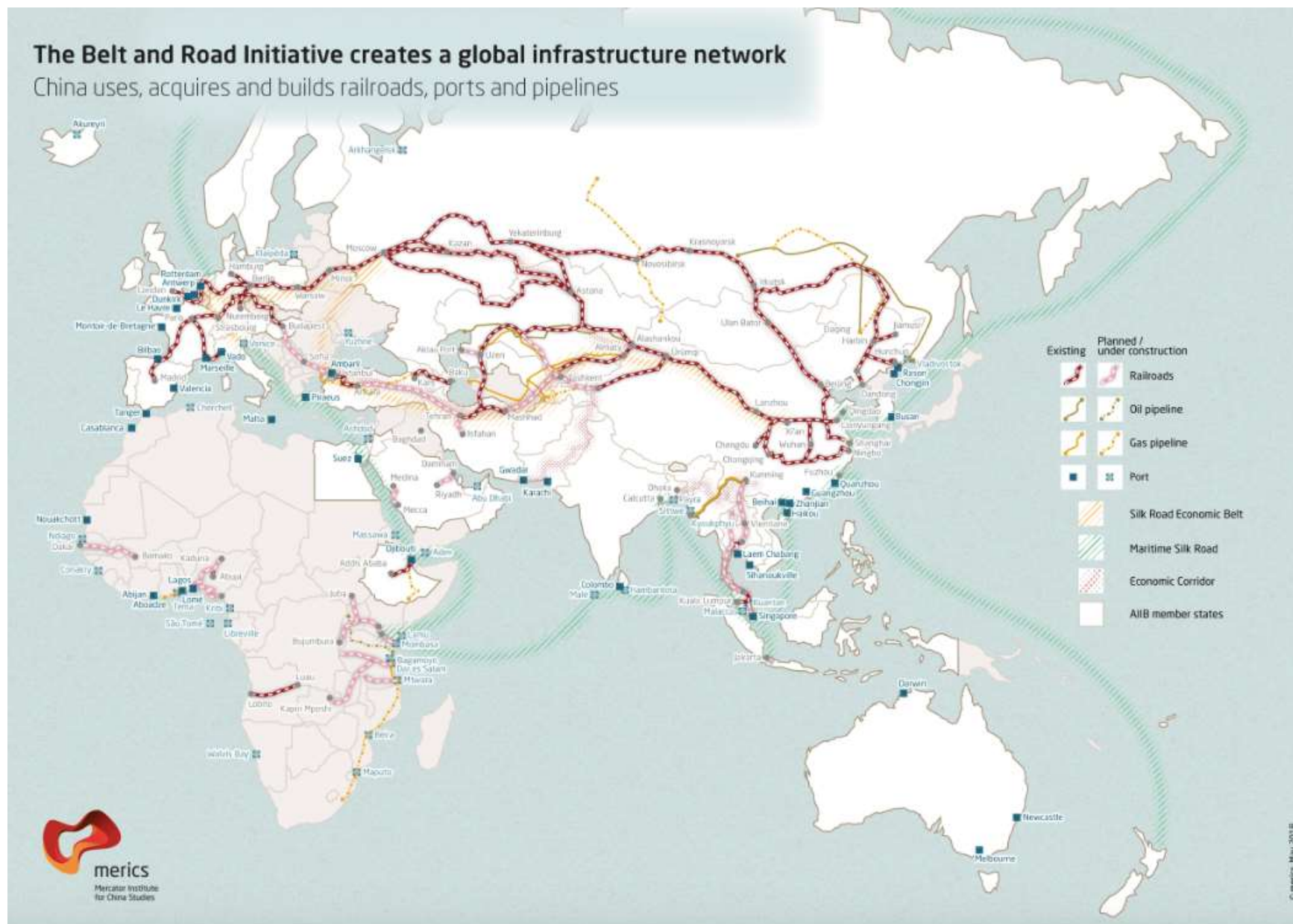
**Wolfram Schaffar**

**University of Passau**

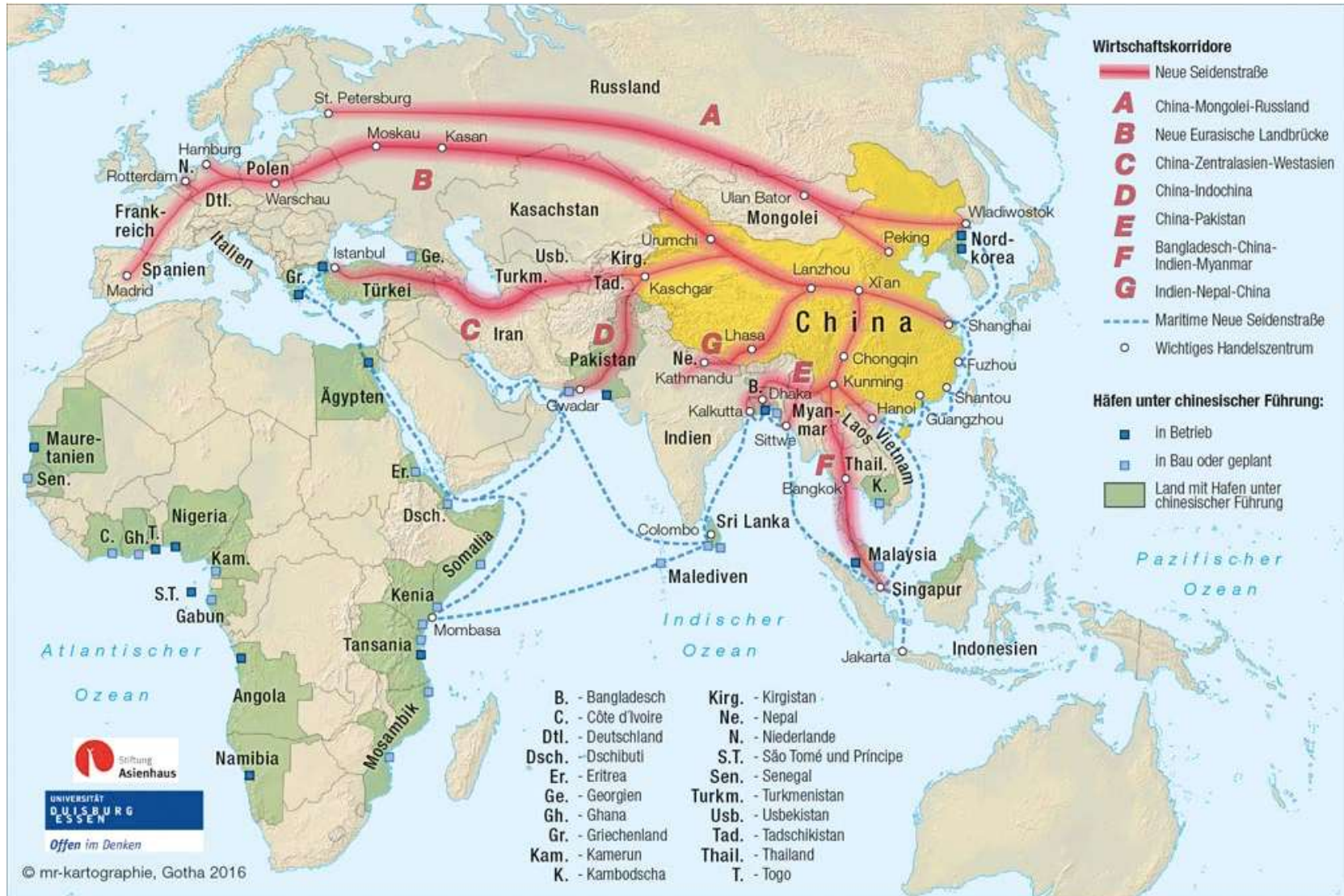
**International Institute for Asian Studies (IIAS), Leiden**

# The Belt and Road Initiative creates a global infrastructure network

China uses, acquires and builds railroads, ports and pipelines



# —帶一路 One Belt One Road (OBOR) / Belt and Road Initiative (BRI)



# Freedom in the World 2018

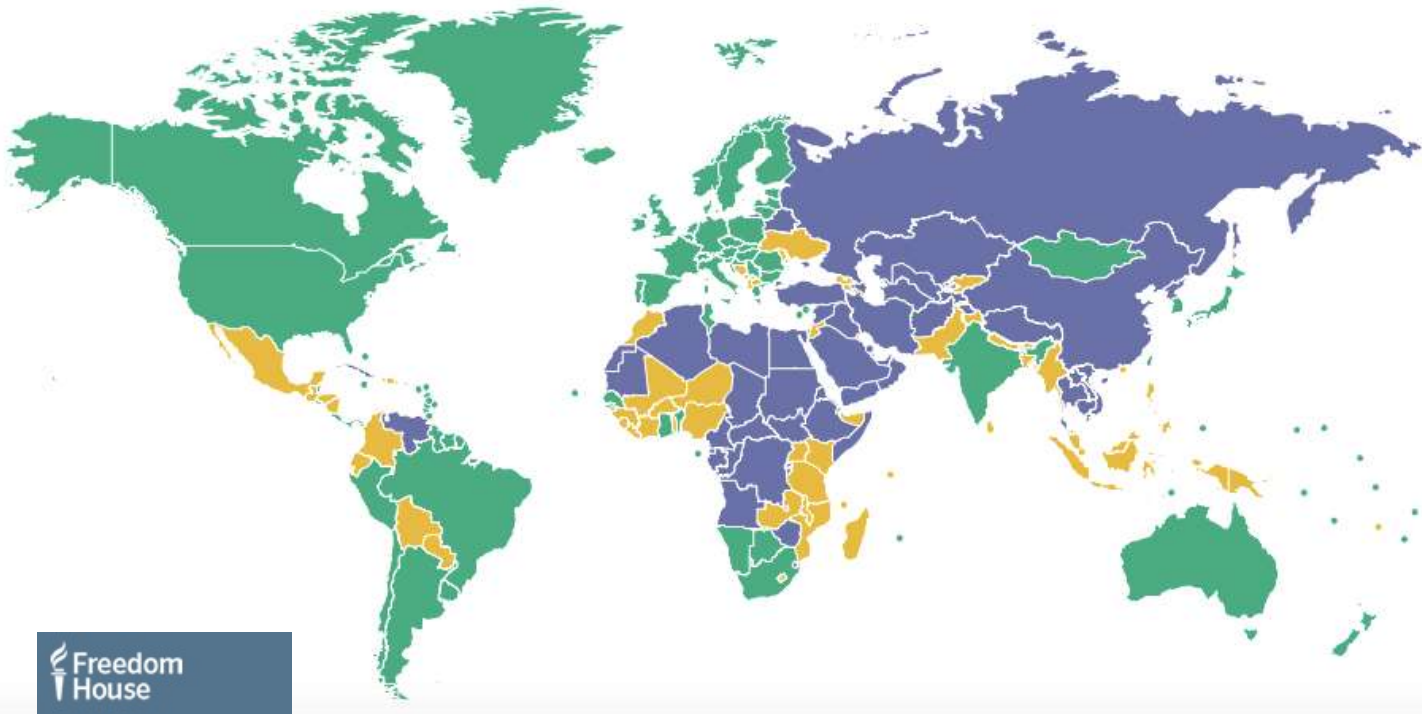
## Democracy in Crisis

# Democracy in Retreat

## Freedom in the World 2019

[WORLD](#)
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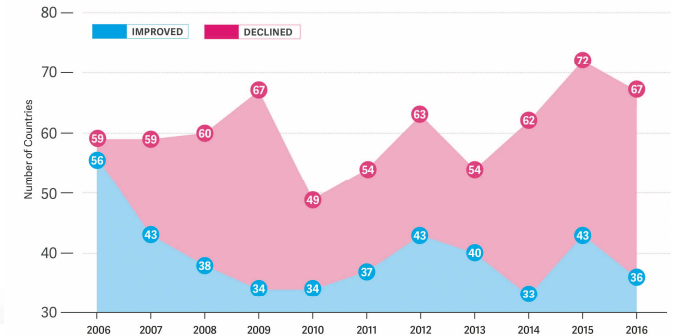
■ Free
 ■ Partly Free
 ■ Not Free



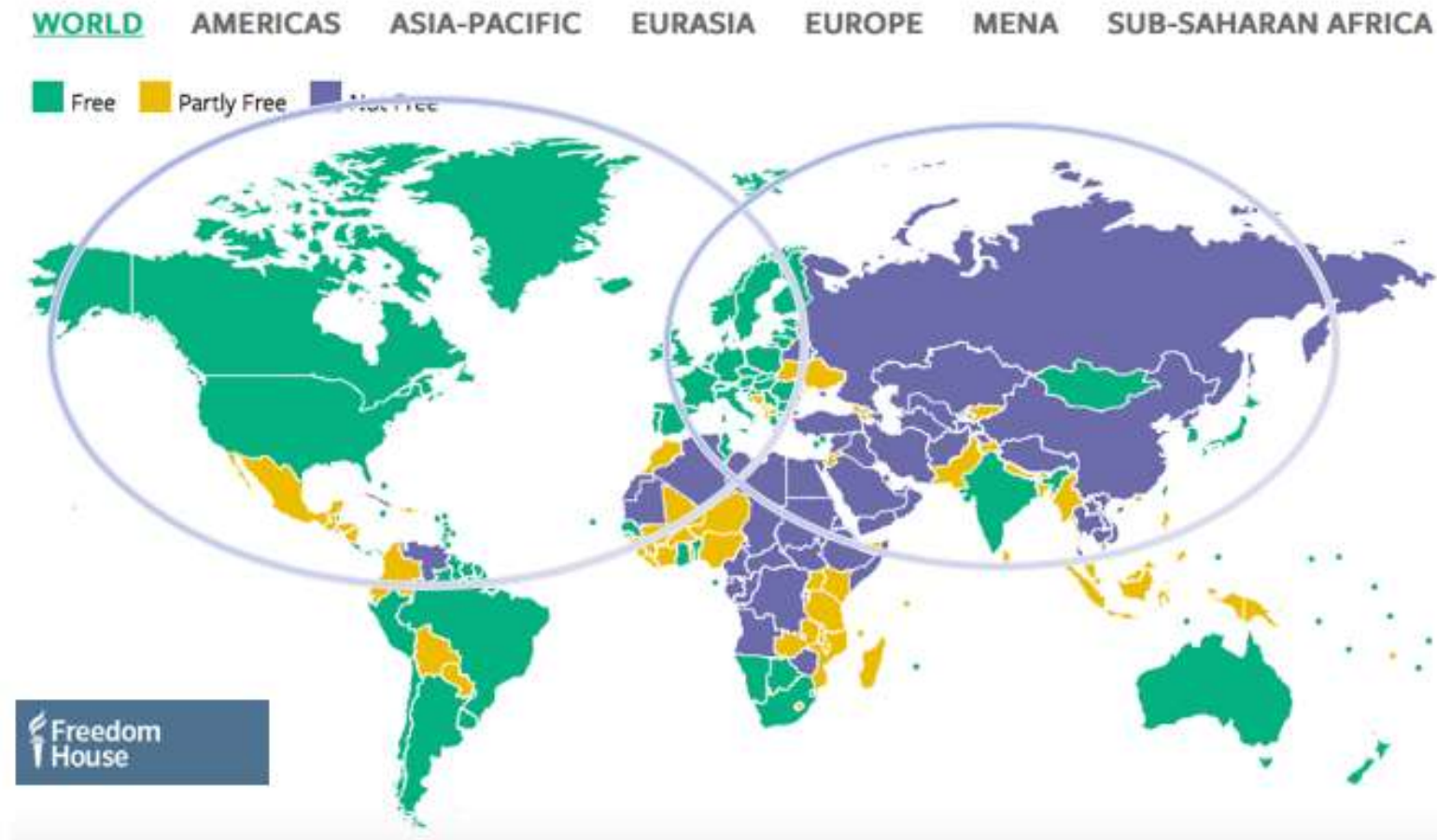
- Democracy faced its most serious crisis in decades** in 2017 as its basic tenets—including guarantees of free and fair elections, the rights of minorities, freedom of the press, and the rule of law—came under attack around the world.
- Seventy-one countries suffered net declines in political rights and civil liberties, with only 35 registering gains. This marked the **12th consecutive year of decline in global freedom.**

### 11 YEARS OF DECLINE

Countries with net declines in aggregate score have outnumbered those with gains for the past 11 years.



Pax Americana => Pax Sinica  
Democracy => Authoritarianism?



# The Broader Context of BRI

- 'Rejuvenation of the Chinese Nation' 中华民族伟大复兴 (Not 'Rise of China'!)
- 'Community of Shared Destiny' / 'Community of Common Destiny' 命运共同体, (cf. Greater East Asia Co-Prosperty Sphere)
- 'New type of great power relations' 新型大国关系

To ease worries, President Xi Jinping has emphasised “Three Noes Policy 三不政策”

(1) No interference in the internal affairs of other nations

(2) China does not seek to increase the so called “sphere of influence”

(3) China does not strive for hegemony or dominance

The BRI MoU does not comes with conditionalities concerning the type of government...

No open and direct influence of BRI on democratisation processes

# Competing Interpretations of BRI (IR)

## 1) Rise of a new global power, (new) type of imperialism

Reeves (2018) *Imperialism and the Middle Kingdom* (TWQ), Huotari, Gaspers, Eder, Legarda, Mokry (2017), Legarda (2017, 2018), Embong, Evers and Ramli (2017)

⇒ ***Clear prediction of de-democratisation, triggered by BRI***

Benner, Gaspers, Ohlberg, Poggetti, Shi-Kupfer, 2018, *Authoritarian Advance* (Merics, GPPi)

## 2) New type of globalisation

- China as a new guardian of global free trade (Hartman, Maening, Wang, 2017)
- Anti-neoliberal South-South cooperation project (article series from the Chinese Academy of Science (CAS), Liu, Dunford and Gao (2018) or Liu and Dunford (2016))

⇒ ***No effects of de-democratisation connected to BRI***

**3) No plan but "initiative 倡议" – trial and error**

**4) New Chinese-style paradigm of IR**

tributary relations (朝贡体系)

under heaven (天下)

Godehard, 2016, 2017, *No End of History? A Chinese Alternative Concept of International Order* (SWP),  
Noesselt (2010, 2015) and Mokry (2018)

⇒ ***Ambiguous predictions concerning democratisation***

**5) Beyond IR – need of a different approach**

- IR paradigms departing from "state interests" and "state behaviour" do not work
  - actors, interest groups and political dynamics beyond the state level
  - specific dynamics of change connected to a shift in the World System
- **Neo-Gramscian approach, combined with aspects of World-Systems Theory**

⇒ ***Sinophone Borderlands - Interactions at the Edges***



# Missellaneous

- Authoritarian gravitation centres (Demmelhuber/Kneuer, 2016)
- Nature of instructure projects –
  - Long-term planning needs authroitarianism
- Unintended Effects (Kavalski, 2019)

## Home

### In a nutshell

Especially since 2000s, [scholars observed](#) 'reverse waves' of democratization or realized that some regions had been characterized by a remarkable autocratic durability and had not been influenced by the waves of democratization in the 20th century. The conceptualization of Authoritarian Gravity Centres (AGC) [intends to contribute](#) to this academic debate. The [purpose](#) of the project is...

- To implement the model of AGCs that characterizes as autocratic regimes that constitute a direct lever or an indirect force of attraction for countries in the proximity
- To [better understand, assess and explain](#) possible mechanisms of autocratization by focusing on autocracy promotion and diffusion in the regional context
- To concentrate on [three world](#) regions for empirical evidence (Central Asia, Middle East, Latin America)



# BRI and – Democracy

## ... towards a comparative research agenda

Political conflicts and dynamics of democratisation and de-democratisation

*Three Regions (Southeast Asia, Central Asia, Eastern Europe)*

- Thailand (coup d'état in 2014)
- Myanmar (exacerbated ethnic conflict since 2014)
- Bhutan (border conflict and military standoff in 2017)
- Mongolia (hyper-extractivism and anti-Chinese mobilisation)
- Greece (labour conflict connected to Chinese investment)
- Italy (authoritarian populism with Chinese backing)

# Myanmar

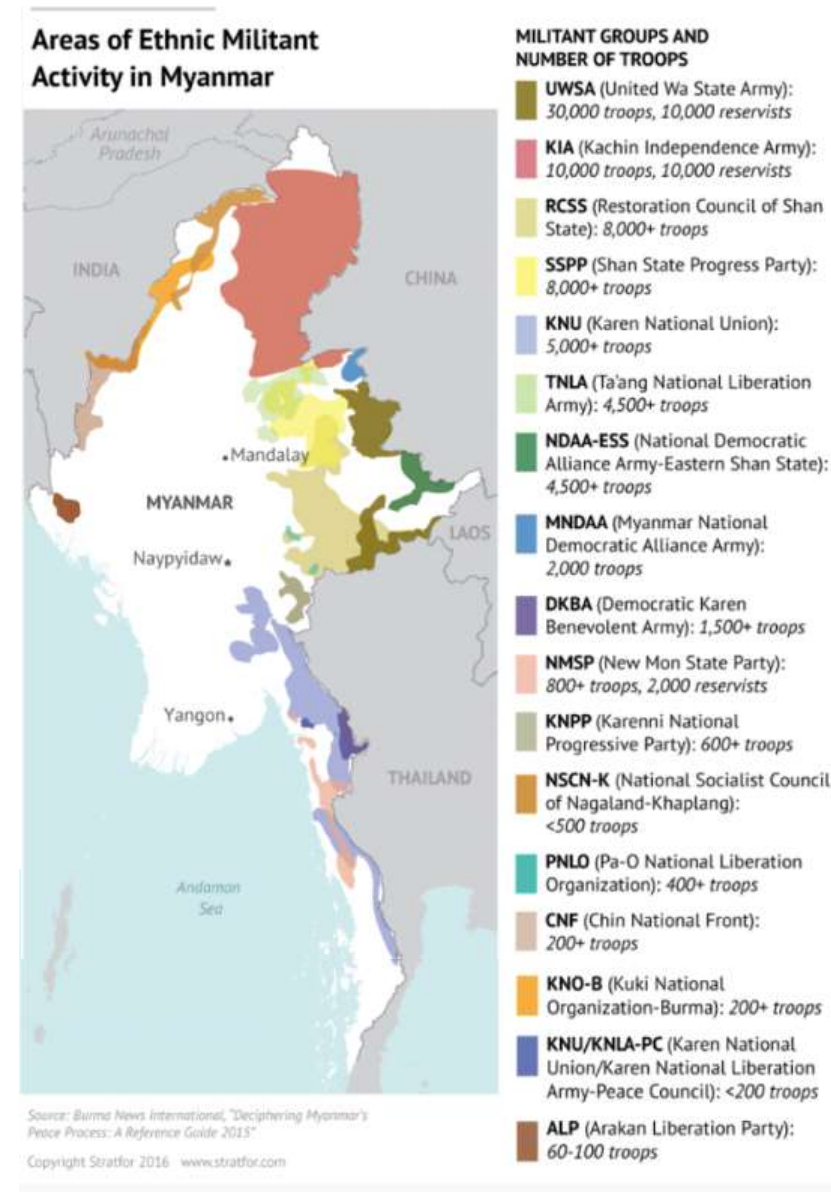
- Since 2010/2012: political and economic opening

⇒ Cancellation of Mitsone Dam project

⇒ Democratisation process in Myanmar:

*Escape China's grip, strategy to diversify development options / investment partners*

- National peace process, Myanmar Peace Center, supported by the EU
  - 2015: National Ceasefire Agreement (21st Century Panglong), ...
  - 30 March 2016: Aung San Suu Kyi becomes State Counsellor
- ⇒ Frosty relations with China, but regular visits
- Late 2016: Rohingya crisis deepens



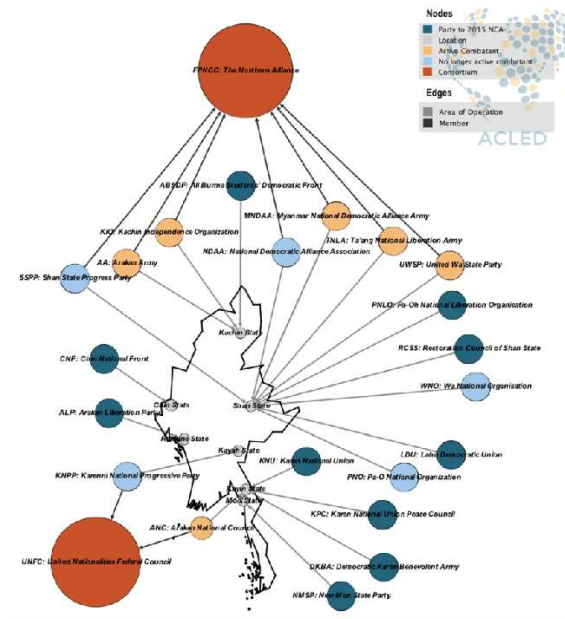
- Federal Political Negotiation and Consultation Committee (or FPNCC, Northern Alliance)
- UWSA demands a Chinese-led peace process
- January 2018, new KIA leader, N Ban La (non-Christian)

	National Ceasefire Agreement Signatories:	#	Other:
01	Karen National Union/ KNLA	5,000	Max est. 7,000
02	Restoration Council of Shan State/ Shan State Army South	8,000	
03	Democratic Kayin Benevolent Army	5,000	BGF
04	Democratic Karen Buddhist Army (Kloh Htoo Baw Battalion)	1,500	
05	All Burma Students Democratic Front	400	
06	Pa-O National Liberation Organisation*	400	
07	Chin National Front*	200	
08	Arakan Liberation Party	60	Max est. 100
09	Karen National Liberation Army Peace Council	200	
10	New Mon State Party	800	2,000 reserves
11	Lahu Democratic Union	0	
	<b>NCA Total Estimated Fighters:</b>	<b>21,560</b>	

	Non-signatories:	#	Other:
10	United Wa State Party	30,000	30,000 reserves
11	Kachin Independence Army/ Organization*	10,000	Max est. 15,000
12	Myanmar National Democratic Alliance Army (Kokang)*	2,000	Max est. 3,000
13	National Democratic Alliance Army (Mongla)	3,000	
14	Shan State Progress Party/ Shan State Army North**	8,000	
15	Ta'ang National Liberation Army	6,000	Max est. 10,000
16	Arakan Army (Kachin branch- not Paletwa branch)	3,000	
17	Karenni National Progressive Party	600	
18	National Socialist Council of Nagaland- Khaplang	500	
	<b>Non-NCA Total estimated fighters:</b>	<b>63,100</b>	



Map showing the route of the China-Myanmar oil and gas pipelines. (Image: Shwe Gas Movement)





## Palaung State Liberation Front



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HOME
NEWS
STATEMENTS
DEPARTMENTS
ABOUT PSLF
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**Statements**

The Federal Political Negotiation Consultative Committee (FPNCC) Conveys Congratulatory Message to Honourable President Xi Jinping's New National Leadership and Government

March 20, 2018

The Federal Political Negotiation Consultative Committee (FPNCC) would like to, first of all, wholeheartedly congratulate Honourable Xi Jinping's upon his triumphant reappointment as China's president and chairman of the Central Military Commission. Also, FPNCC warmly congratulates Honourable Wang Qishan upon his successful appointment as Vice-President of China.

**Recent Posts**

Rejecting Myanmar Government's 2018 New Vacant, Farmland and Virgin (VFA) Land Policy

## Assessment of the political processes:

- *China is back as the most important investor and actor*
- *The democratisation process is stalled*

HEARTBEAT OF THE NATION  
**MYANMARTIMES**  
WEDNESDAY, MARCH 20, 2019

Home » Business » China hopes to resume Myitsone hydro dam

### China hopes to resume Myitsone hydro dam

MYO LWIN | 09 MAR 2016



Children look at the Myitsone dam from the bank of Ayeyarwady River in 2012. Photo: EPA

A Chinese state-owned company says it is **hoping to resume** a major hydropower project in Myanmar that was suspended in late 2011 by President U Thein Sein following widespread public dissent.

THE DIPLOMAT

MARTA JANDOVÁ & VÁCLAV NOID BÁRTA  
Hala Euronic  
26.4. 2019  
KOUPIŤ LÍSTEK

ASEAN BEAT

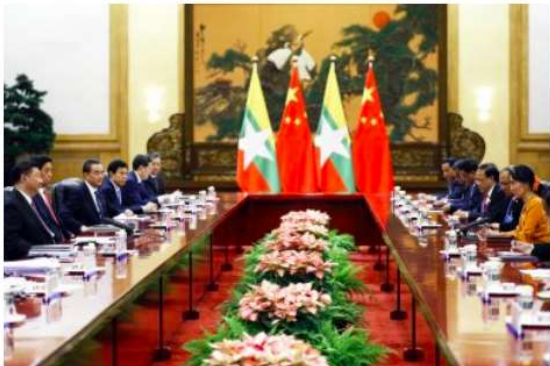
### Myanmar Speeds up Progress on China's Belt and Road

Naypyidaw picks up the pace on the China-Myanmar Economic Corridor as other options for FDI fade away.

By Amara Thiha  
December 08, 2018

f t g+ in

In late November, Ning Jizhe, deputy head of China's National Development and Reform Commission (NDRC), **visited Myanmar** and met with State Counsellor Aung San Suu Kyi and the minister of planning and finance along with other ministers. A week later, on December 6, the China-Myanmar Economic Corridor (CMEC) implementation steering committee, led by Aung San Suu Kyi, met. Years after the launch of China's Belt and Road Initiative, Myanmar is finally moving rapidly to embrace President Xi Jinping's project.



Myanmar State Counsellor Aung San Suu Kyi, right, and Chinese President Xi Jinping, left, attend their meeting at the Great Hall of the People in Beijing (May 16, 2017).

Image Credit: Damir Sagolj/Pool Photo via AP

CMEC is a bold step. It will bring China and Myanmar into the closet proximity ever in the history of their relationship, going far beyond trade and infrastructure development itself. This could be the ace in the hole for Naypyidaw to overcome deadlocks in the country's peace process and stimulate foreign investments.

# Thailand: Political polarisation



People's Alliance for  
Democracy

**พันธมิตร  
ประชาชนเพื่อ  
ประชาธิปไตย**

United Front for Democracy &  
Against Dictatorship

**กลุ่มแนวร่วม  
ประชาธิปไตยขับไล่  
เผด็จการแห่งชาติ**







Thai PM observes Japan's bullet train before returning home

national April 22, 2012 00:00



Thaivisa.com, 11. Januar 2015



# Public Testimony of the Constitutional Court, January 2014

"These things, I think that if we are do them, they cannot be done in one night. If talking about the 2 trillion in order to bring in the high speed [rail] system. If about dual tracks, I won't say a single word about it and we don't need to waste any time on this. Dual tracks are very important. No need to waste time on changing lines/tracks like with trams in the past [...] and the 2 trillion Baht if [Transport Minister] Chadchart dies and is reborn then even for his children then the money will still not be paid [back] [...]"



Gravel roads should be gone from Thailand first. Make them asphalt or something like that first before thinking about high speed [rail]. For high speed [rail], my personal opinion is that is that it is not really necessary for Thailand...

Thailand, 22<sup>th</sup> May 2014



# From the military coup d'état to the judicial coup d'état



Frontpage of Bangkok Post, September 2006 and Fotomontage, May 2014

Assessment of the political processes:

- *The coup d'état was triggered by elite competition over access to BRI projects*

NEWS > TRANSPORT

## High-speed train gets go ahead

Two routes okayed in B741bn scheme



30 Jul 2014 at 06:03 27,220 viewed 50 comments

NEWSPAPER SECTION: NEWS | WRITER: AMORN RAT MAHITTHIROOK

The National Council for Peace and Order (NCPO) has approved two high-speed train projects at a total cost of 741.4 billion baht. The two routes approved are intended to serve as a transport link between Thailand and southern China.



Proposals for a high-speed train from Rayong to Nong Khai - and on to China - were first made in October, 2013, at an exhibition sponsored partly by China Railways. (Photo by Chananat Katanyu)

## PM jumpstarts high-speed trains

27 Feb 2015 at 21:23 13,586 viewed 6 comments  
WRITER: ONLINE REPORTERS



Prime Minister Prayut Chan-o-cha and his wife Naraporn ride a Japanese high-speed train from Tokyo to Osaka on Feb 10, 2015. (Government House photo)

After taking high-speed trains in China and Japan, Prime Minister Prayut Chan-o-cha is considering bringing faster rail service to Thailand.



Gen Prayut used his *Returning Happiness to Thai People* broadcast on Friday to tout the benefits of equipping the country's railway system with high-speed trains once new tracks are built.

### RELATED STORIES

Single ticket plan takes shape in city

# BRI and de-democratisation in Myanmar - Thailand

- Reversal of democratisation processes
- Internal conflicts were augmented by Chinese investment,
- With more or less direct Chinese intervention

but

- Conflicts pre-exist Chinese investment
- No clear preference of China concerning the type of government

⇒ Imperial chain, Primacy of internal factors

(Neo-Gramscian perspective, Poulantzas, 1979, *The crisis of dictatorships*)

# Bhutan – China border dispute



# Doklam Standoff

- Bhutan – India relations, 1949, 2007 Friendship Treaties
- Bhutan – China border negotiations since 1972, since 2000 no progress. Doklam and Bhutanese northern border remains disputed
- June 2017: China starts road construction on Doklam plateau
- 18 June: Indian troops move into the territory to stop construction
- 29 June: Bhutan declares that it still considers Doklam Bhutanese territory – after remained silent
- 28 August: Agreement between China and India to disengage
- July 2018: China-Bhutan border negotiations restarted

## Fake news in Indian newspapers

### CHINA FIRED ROCKETS ACROSS THE BORDER ON INDIAN BORDER INSTALLATIONS

July 17, 2017 Written by Web Desk Published in International News Last modified on Tuesday, 18 July 2017 10:34



#### Related Items

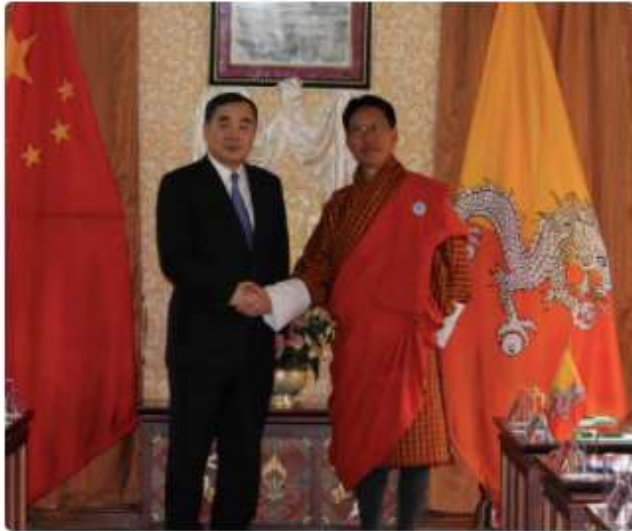


China urged to encourage

AFP Image A Chinese and Indian soldier at the Narbu La border crossing between India and China in India's northeastern Sikkim state.

Several Indian soldiers have been killed on Monday as China fired rockets across the border on Indian border installations. Reportedly, several soldiers were wounded in the attack today.





## China invites Bhutan to join Belt and Road Initiative

short by Nandini Sinha / 08:38 am on 25 Jul 2018, Wednesday

China has invited Bhutan to join the Belt and Road Initiative (BRI), following the visit of China's Vice Foreign Minister Kong Xuanyou to the country. This was the first high-level visit by a Chinese politician to Bhutan since the Doklam standoff between India and China last year. The Doklam region is claimed by both China and Bhutan.

read more at [Hindustan Times](#)

## China invites Bhutan to join its ambitious Belt and Road Initiative

Bhutan has received an official invitation from China to join its [Belt and Road Initiative \(BRI\)](#). The invitation was given to the Himalayan nation on Tuesday after senior Chinese minister visited the country. The two nations held talks over wide-ranging issues, including the disputed border.

It is important to note that Bhutan does not have an embassy in China and it is the only nation in the South Asian region which has not joined the Belt and Road Initiative, besides India. India refused to join the multi-billion-dollar connectivity project due to sovereignty issues.

## TIBETAN JOURNAL

News | Reviews | Opinions



Tibet news

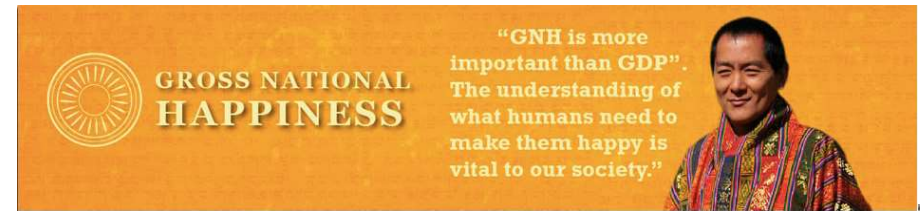
### China Wants To Connect Tibet To Nepal And India By Railway



# Democratisation, Law and Gross National Happiness

Democratisation and elections in Bhutan:

- Gross National Happiness as alternative development paradigm
- 2008: Promulgation of the Constitution, Top-down democratisation process
- Elections in 2007/2008, 2013, 2018 lead to change of the government



KING OF THAILAND MODEL.



“กษัตริย์จิกมี” เสด็จขึ้นเขาสูงกว่า 5,000ม. เยี่ยมประชาชนภูฏานในพื้นที่ห่างไกล  
กษัตริย์จิกมีแห่งภูฏานเสด็จพระราชดำเนินขึ้นเขาสูงกว่า 5,250...

MANAGER.CO.TH | โดย MGRONLINE LIVE



**Constitution of Bhutan, 2008, Art. 9:**  
„to promote those conditions that will enable the pursuit of **Gross National Happiness**“

## Assessment of the political processes:

- *Rising influence / pressure from China*
- *But sustained commitment to democratisation*

The New York Times

### ***Centuries of Buddhist Tradition Make Room for Bhutan's First Law School***



Development cooperation between the University of Vienna, ADA and the Jigme Singye Wangchuck School of Law



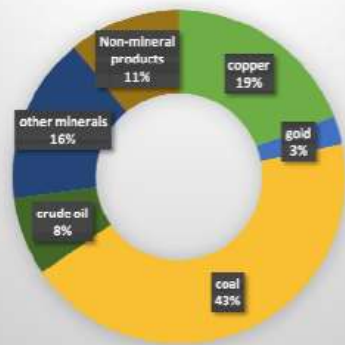
# Mongolia

## MONGOLIA OUTLOOK 2012 World's Fastest Growing Economy



Source: Eurasia Capital, a Mongolian brokerage, January 2012 Mongolia Outlook Report.

### Good export share in 2012

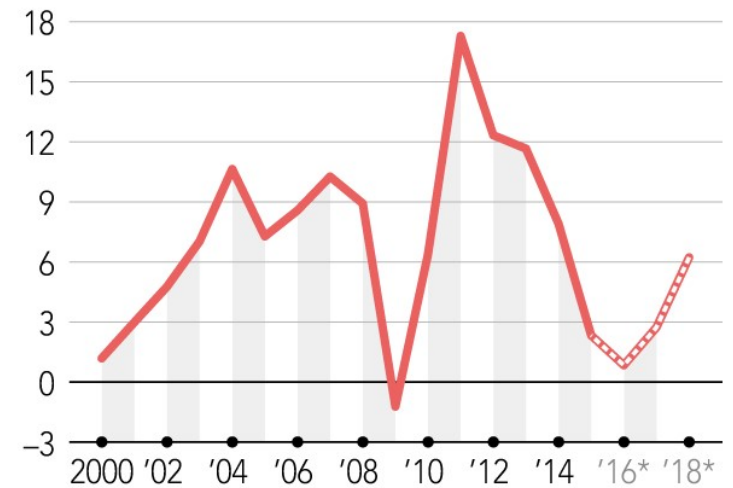


Source: Mongolia economic update, April 2013

- Mongolia's bold neo-extractivist policies:
  - 17-20% economic growth
  - Handing out shares of coal mine to people, 2011 cash handouts
  - Social programmes, basic income
- Since 2011: fall of prices of raw material
  - Public debt reaching sovereign debt crisis
  - Unequal treaties disfavour Mongolian rent income

## Mongolia's GDP growth rate

(in percent)



\*Forecast

Source: World Bank

# BRI as way out of the crisis

## Transportation Corridor: Proposed Railway



Tsentsii Town built by Energy Resources. Most of the first floor business spaces remain unoccupied.



# Anti-Chinese and Right-Wing Movements



Mongolia

## Mongolian neo-Nazis: Anti-Chinese sentiment fuels rise of ultra-nationalism

Alarm sounds over rise of extreme groups such as Tsagaan Khass who respect Hitler and reject foreign influence



▲ Mongolian neo-Nazi group the Tsagaan Khas ('White Swastika') salute on the streets of the capital Ulan Bator  
Photograph: Dan Chung for the Guardian

Tania Branigan in Ulan Bator

Mon 2 Aug 2010 16:13 BST

THE DIPLOMAT

## After Anti-China Campaign Rhetoric, Mongolia's President Congratulates China on National Day

Campaign talk aside, Mongolia still depends overwhelmingly on China.

By Charlotte Gao  
October 03, 2017



Mongolia's newly-elected President Khaltmaa Battulga won office in July on the **back of a campaign laced with anti-China rhetoric**. Nonetheless, on September 28, Battulga sent a congratulatory message to Chinese President Xi Jinping, marking the 68th anniversary of the founding of the People's Republic of China.



Image Credit: [Wikimedia Commons/ News Mongolia](#)

# Democratisation in Mongolia

- The only democratic country in Central Asia
- Elections in June 2016, change of the government, consolidation of democracy
- MDG #9: Strengthen Human Rights and Foster Democratic Governance
- Basis for SDG #16: Peace Justice and Strong Institutions



Support in Achieving  
MDG-9 on Human Rights and  
Democratic Governance in Mongolia

MILLENNIUM DEVELOPMENT  
GOAL-9 INDICATORS AND  
THE STATE OF DEMOCRACY IN  
MONGOLIA

## SUSTAINABLE DEVELOPMENT GOALS



# Greece

- Sovereign debt crisis deepens since starting in 2011
- EU Troika - European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) - imposes austerity measures, privatisation of state assets
- 2008: China Ocean Shipping Company (COSCO Group) takes over two container terminals in the harbour of Piraeus
- 2016: China COSCO Shipping becomes the primary operator of the harbour of Piraeus
- 2017: The State Grid Corporation of China, the country's biggest utility, said on Wednesday that it has completed purchase of a 24-percent stake in Greece's power grid operator, ADMIE

## Chinese Cosco turns Piraeus into second largest port in the Mediterranean

By Newsroom On 5 Feb 2019, 1:08 pm 0 Comments



# Effects on Greek Democracy

- June 2017: Greece has blocks a European Union statement at the United Nations criticizing China's human rights record
- **China welcomed as investor and competitor to the EU (based companies, EU conditionalities)**
- **Unclear long-term effects**
  - Golden Dawn, right-wing movement, on the rise, on a tide of anti-EU sentiments
  - Golden Dawn also close to unions in Piraeus

red pepper

## Greek dock workers feel betrayed by Syriza's broken promises

Dock workers in Greece are striking against further privatisations as Syriza's popularity tumbles, writes **Will Horner**  
March 7, 2016 · 6 min read



Striking dock workers from the Greek Federation for Port Employees (OMYAE). Photos: Will Horner

## Golden Dawn: a nazi militia disguised into a "political party"

jallgoldendawn / 08/10/2017



Kasidlaris leading a Golden Dawn battalion squad in Nikea.



# Processes of de-democratisation

- November 2011: *Giorgios Panandreou*, announces a referendum on bail-out plans of the EU
- July 2015: *Alexis Tsipras* holds a referendum: 61,3% No vote. Result is ignored by EU.

"The sovereignty of Greece will be massively limited," *Jean-Claude Juncker*, President of the Eurogroup, Financial Times, 3. Juli 2011



# Conclusion

Primacy of internal factors,  
... but regional patterns

1. **Southeast Asia:** Exacerbation of pre-existing conflicts lead to de-democratisation, more or less direct Chinese involvement in conflicts
2. **(Southern / Central) Europe:** China is an alternative for countries are exposed to EU austerity policy. Cooperation with China enhances bargaining power against EU institutions.
  - De-democratisation (anti-EU sentiment spurs processes of de-democratisation)
3. **Sino-spheric sandwich positions** (Bhutan, Mongolia, Nepal)
  - Democratisation and pointed commitment to good governance as counterbalance to authoritarian Chinese mode of governance, (anti-Chinese sentiment translates into pro-democracy)
  - This might develop into a broader trend beyond the region (cf. Malaysia ...)