CHINA'S OVERSEAS EXPANSION

AN INTRODUCTION TO ITS ONE BELT, ONE ROAD AND BRICS STRATEGIES

Robin Lee *et al*., February 2018

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BACKGROUND

Since China first commenced with its reform and open policy in 1979, it has undergone a gradual process of economic change, resulting in dramatic transformations domestically for the lives of Chinese people, at the same time that such changes have resulted in China having become a crucial component of the global capitalist economy. As the Chinese government pursued policies which encouraged FDI to begin to pour into China, particularly from the early 1990s, China transformed itself into the 'world's factory' built largely on the exploitation of Chinese migrant labour. While multinational corporations have taken advantage seeking to enhance their profits through reduced production costs as a result of lower wages and working conditions, the influx of FDI was also a major factor contributing to China's incredible rates in economic growth, something which has allowed the Chinese Communist Party elites to enrich themselves. Related reform and restructuring has also resulted in the rise of large Chinese companies, including Chinese multinational corporations (often state-owned enterprises), which have been expanding their presence overseas. Whereas in 1995 there were only two Chinese companies listed in the Global Fortune 500, in 2007 this had grown to 22 and by 2016 China had more than one hundred companies listed and three companies, State Grid, China National Petroleum and the Sinopec Group, were all ranked in the top five.

Officially, while previously inward FDI was a key priority, there has been a shift towards much greater focus on outbound investment. In

1999, the Chinese government began to initiate its Going Out/Going Global strategy aimed at encouraging Chinese enterprises to invest overseas. From the mid-2000s in particular, Chinese outbound FDI began to significantly increase and by 2015 China ranked second in the world as a source of outbound FDI, and its outbound FDI now exceeds that of its inbound FDI.

At the same time, China has also been pursuing an international agenda to expand its global influence on several fronts, and has simultaneously officially stated its pursuit of a multipolar world, with Jiang Zemin having incorporated this concept into its foreign policy at the 14th Congress of the Chinese Communist Party in 1992. Since then China has expressed opposition to a single unchecked superpower[1], and more recently been seen as offering a potential alternative to US hegemony and the neoliberal world order. China has participated in a variety of agreements and platforms stating commitment to a multi-polar world view, and participation in BRICS cooperation might be seen as an important example. Nevertheless the experience of China's rise and its current resulting power and influence in the global economy, make it questionable whether it really offers such an alternative or has just become a much more powerful actor in the same game, while competing for a larger piece of the pie.

Meanwhile, continuing in this direction, Xi Jinping's One Belt, One Road has been described as the next round of "opening up" by the Chinese government, following the development of Special Economic Zones and China's accession to the WTO. Indeed, the OBOR strategy can be seen as a very significant and ambitious next step in the expansion of the role that China plays globally and its implementation will impact on the lives of millions of people domestically and globally.

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1 The Rise of China and BRICs: A multipolar world in the making. Dorothy-Grace Guerreo 21st March 2013. https://focusweb.org/content/rise-china-and-brics-multipolar-world-making

Chinese government strategies towards both the BRICS and even more so towards OBOR, which has been dubbed "globalisation 2.0", potentially have important implications for the direction of globalisation in the future. Given the way that China's development strategies have led to significant environmental destruction and labour rights violations domestically, and the way that its investment overseas has been frequently criticised or led to opposition due to their adverse social and environmental consequences, suggest that there are legitimate causes for concern about the impacts on people and the environment of this direction. This pamphlet will introduce the BRICS and China policies towards OBOR and some of their outcomes so far, with the aim of assisting further discussion amongst civil society and social movement groups on these issues and about how to defend the interests of people around the world in the face of the harmful policies associated with China's expansion overseas.

Major Recent Events in China's Expansion Overseas	
1999	Going Out/Going Global Strategy initiated by the Chinese Government.
2001	Accession to the WTO
2001	Shanghai Cooperation Organisation founded (China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan…India and Pakistan were later admitted in 2015).
2006	BRICs first began high level meetings.
2009	First formal BRICs summit held in June in Yekaterinburg, Russia
2013	(October) plans for One Belt, One Road unveiled.
2015	New Development Bank (BRICS bank) opens in Shanghai.
2016	Asian Infrastructure Investment Bank opens.
2017	Belt and Road Forum for International Cooperation held in Beijing on May 14th

AN INTRODUCTION TO THE BRICS

What are the BRICS?

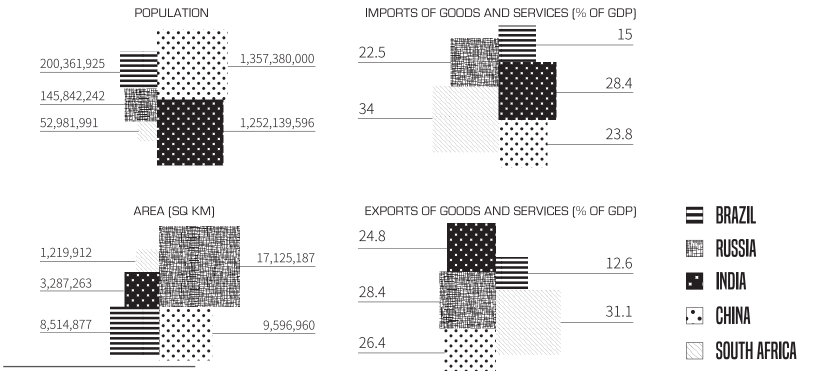
BRICS is an acronym for five developing/newly industrialized countries: Brazil, Russia, India, China, and South Africa. The term BRICs was coined in 2001 by the then chairman of Goldman Sachs Asset management, Jim O'Neill, in his Building Better Global Economic BRICs. Up until 2010 when South Africa was first included, the group was known as BRIC/BRICs. The BRICS are characterised by large, fast growing economies and significant influence on regional affairs. As of 2014, BRICS countries had accounted for more than half of global growth since the beginning of the economic crisis in 2007[2].

(From: russiabrics2015)

42% OF THE WORLD'S POPULATION

26% OF THE WORLD'S LAND TERRITORY

27% OF THE WORLD'S GDP



2 Why BRICS Matter: Emerging Powers and Global Governance, Armijo and Roberts 2014.

Formation of the BRICS

Although the term was initially earlier proposed by a Goldman Sachs economist, the countries concerned have established a platform for cooperation. Steps towards this were first initiated in 2006 when foreign ministers from the BRIC countries met at the margins of a UN General Assembly Session in New York on the proposal of Russian President Vladimir Putin. Other high level meetings then occurred in the following years, which resulted in the first formal BRIC summit meeting in Yekaterinburg, Russia, in June 2009. The summit issued a joint statement setting out the goals of the BRICs which were to:

"Promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way. The dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity" [3]

Cooperation and Projects

Some discussed areas of BRICS cooperation and agreement include financial and economic issues, regional problems (Libya, Syria Afghanistan), conflict resolution, IMF reform, drug trafficking, ICT, developing conditions for free-trade and intellectual property rights. Nevertheless there are also notable disagreements between the group including on UN Security Council reform, territorial disputes and competition over supply chains and energy sources between India and China, and it has been suggested that despite statements of commitments, BRICS countries actually have conflicting interests and actions in a number of areas.

3 What is the BRICS? http://en.brics2015.ru/docs/index/faq.html

Probably the most notable area of BRICS cooperation concerns the establishment of the New Development Bank and Contingent Reserve Arrangement. The 6th BRICS summit held in Fortaleza, Brazil, in July 2014 signed an agreement on the New Development Bank (also known as the BRICS bank) and the Treaty for the Establishment of a BRICS Contingent Reserve Arrangement. The aim of the bank is to focus on lending for infrastructure projects in BRICS countries as well as in other emerging economies and developing countries. In the governance and management of the bank each of the BRICS countries have an equal share and each country initially contributed $10 billion. It has also aimed to give priority to developing renewable energy sources, and of the seven projects for which its Board of Directors approved loans in 2016, six targeted renewable energies. The New Development Bank has been deemed significant because of the way it has been viewed by some as a potential rival or alternative to the IMF and World Bank and their failure to reform to give a greater voice to developing countries. In actual fact, however, the BRICS offer no such alternative and some of their operations only act to further strengthen existing institutions. One example is how the BRICS Contingent Reserve Arrangement actually requires member countries to apply for IMF structural adjustment loans if they have used just 30% of their borrowing quota.[4]

China and the BRICS

As it is by far the strongest of the BRICS countries in terms of economic and financial weight, China has been singled out as having the most to gain from the BRICS. Between 2008 and 2013 China's economy expanded at double the rate of the other BRICS

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4 China Sucked Deeper into Financial Vortex and Vice Versa, as BRICS Sink Fast. Patrick Bond. 27th November 2015. http://worldlabour.org/eng/node/733

members[5] and as of 2013, China participated in 85% of intra-BRICS trade and was one of the top three export destinations for each of the other four BRICS countries[6]. As a result of China's comparative weight it has been suggested that the BRICS might perhaps more accurately be described as the CRIBS. It has also been suggested that the BRICS is one platform through which China can avoid international attention connected to unilateral action on key global issues and to lead "from behind", and to appear more responsible in the global arena. In this respect it is noticeable that China initially took a more cautious approach within the BRICS and remained in the background in the early stages of formation, instead allowing Russia and Brazil to push ahead more visibly. Meanwhile as far as the National Development Bank is concerned it only moved further into the spotlight after India had pushed the initiative[7]. It is nonetheless notable, however, that it was China that worked towards South Africa's inclusion in the BRICS in 2010[8] and how it was eventually (not without struggle from India which wanted the bank's headquarters to be New Delhi) decided that the BRICS' New Development Bank should be headquartered in Shanghai. These are two areas from which China stands to potentially gain.

China will chair the ninth BRICS summit to be held in Xiamen in Fujian province in September 2017. This is the second BRICS summit that China has hosted, having previously hosted the third BRICS summit in Sanya in April 2011.

5 The BRICS: A Very Short Introduction. Andrew Cooper. 2016. Oxford University Press.

6 Experts call for BRICS free trade pact. Li Jiabao. 27th March 2013. China Daily. http://www.chinadaily.com.cn/china/2013-03/27/content_16347695.htm

7 Cooper 2016.

8 The Rise of China and BRICs: A multipolar world in the making. Dorothy-Grace Guerreo 21st March 2013. https://focusweb.org/content/rise-china-and-brics-multipolar-world-making

Problems and Criticisms related to the BRICS

There are a number of problems related to the BRICS ranging from the cohesiveness of these countries as a grouping to the way that the BRICS do not offer a meaningful alternative to neoliberalism and only go to further contribute to problems of global social and environmental injustice.

On the one hand, outwardly, there is great disparity between the countries involved. China's strength when compared to South Africa has been especially highlighted. This has led to fears that the inclusion of South Africa perhaps acts more as a gateway to the continent, and potentially aids multinationals from BRICS countries in the carving up of Africa[9]. Indeed it has been argued that despite the fact that South Africa is an economic leader on the African continent, other countries would be better featured in a group of emerging economies, for instance Mexico, Indonesia, S. Korea etc. Amongst the BRICS, China's influence has created some concerns for Russia and also India (where there are long-standing security issues) and discontent has emerged related to perceived slights, China's institutional advantages, more active diplomacy and trade agenda.[10] The recent growth in confrontation relating to the territorial disputes between China and India only go to further highlight the limits of this grouping and how BRICS countries do not necessarily have common interests as a group, or even conflicting interests. Moreover, if significant future conflicts were to occur, it would likely be ordinary people who would pay the price.

Furthermore, while the BRICS have previously been held up as offering an alternative to Washington Consensus and neoliberal

9 BRICS [Brazil-Russia-India-China-South Africa] corporate snapshots in Africa. Amisi Baruti. 9th April 2014. http://www.europe-solidaire.org/spip.php?article31677

10 Armijo and Roberts 2014.

development strategies, domestically and internationally these regimes do not offer good examples of alternatives which put people first and as a result have been criticized by civil society groups. It has been argued that all of the BRICS, including China, benefit in some way from engagement with the existing US led order in playing by, “the same rulebook as the major advanced industrial powers, but tilted to their own advantage[11]. It has also been observed that the kind of development promoted by the BRICS does not greatly differ from the environmentally and socially exploitative GDP growth centred development exported by the Global North to the Global South, with BRICS countries’ focused on urbanization, expanding markets, and infrastructure developments and megaprojects such as China’s Three Gorges dam, Brazil’s Jirau dam and the Kudankulam nuclear power plant in India[12]. In relation to the way that it is feared that the BRICS will carve up resources in Africa,[13] some have even viewed the BRICS as representing a new type of imperialism, especially At the same time, domestically, each of the BRICS countries also suffer from serious corruption issues and were all hit by major corruption scandals in their formative years. India, for instance, saw scandals in relation to contracts for the 2010 Commonwealth Games while Russia saw scandals over construction projects for the APEC summit and Sochi Olympic Winter Games.[14] This again only further suggests that BRICS countries do not offer good alternative models.

The continuing significance of the BRICS has more recently been called in to question however, as growth rates have declined and BRICS economies have, to varying degrees, increasingly struggled. Some economists have now claimed that “the era of the BRICS

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11 Armijo and Roberts 2014.

12 BRICS Bank: New Bottle, how’s the wine? Sameer Dossani, 27th February 2014, http://www.brettonwoodsproject.org/2014/02/brics-bank-new-bottle-hows-wine/

13 Ibid

14 Cooper 2016

is over", citing how China is the only one of the BRICS countries to break out of the "middle income trap"[15]. In late 2015, Goldman Sachs, from where the BRIC acronym originated, shut its BRICS investment fund and merged it with a larger emerging market fund. At this time, the fund's assets had dropped 88% from their peak in 2010, with more than 50% of money flows to the fund invested in Chinese companies.[16]

Despite this, however, BRICS countries continue to hold their platform together and their potential future direction is worth close attention. One such area concerns how the BRICS as a platform have expressed opposition to protectionism and the intention to promote free trade. Discussions around a free trade zone agreement between the BRICS have taken place around previous BRICS summits. Notably China, which is reported to have seen the most adverse impacts from protectionist trade policies involving the BRICS, has recently being placing a much heavier emphasis on steps towards the idea of creating a free trade area. In 2016 the Chinese Ministry of Commerce, MOFCOM, described a free trade area as a "significant form of cooperation" among BRICS allowing them to advance trade and investment liberalization amongst themselves.[17] That such steps towards a free trade area might be on the agenda of the BRICS is another cause for concern, especially given the disparity between the BRICS countries and the way that free trade agreements and policies generally act to benefit richer economies at the expense of poorer ones, allowing for dumping and damage to the livelihoods of local communities.

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15 BRICS era over, China only exception. Ruchir Sharma. 30th July 2013. The Economic Times. http://economictimes.indiatimes.com/news/economy/finance/brics-era-over-china-only-exception-ruchir-sharma/articleshow/21461983.cms

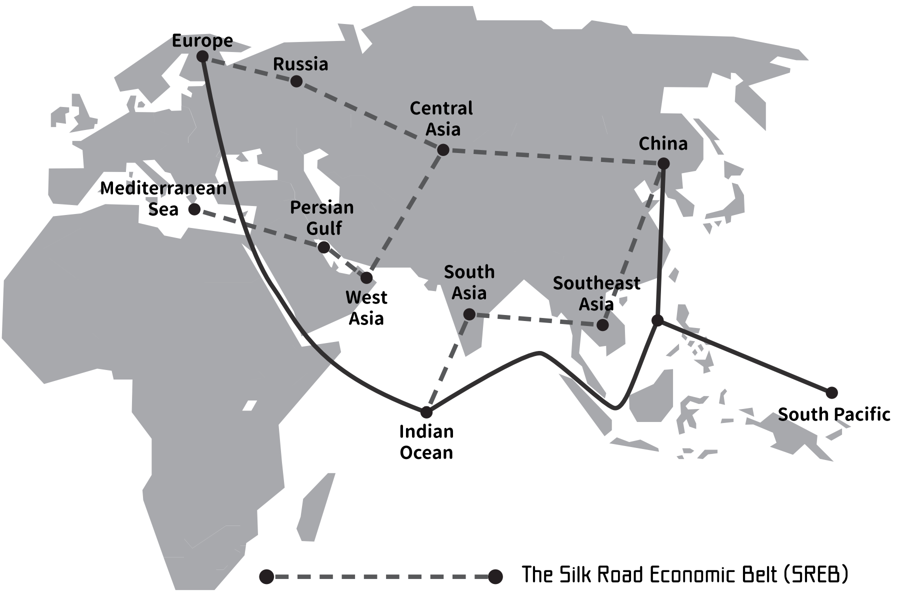
16 The BRICS era is over even at Goldman Sachs. Heather Timmons. 9th November 2015. Quartz https://qz.com/544410/the-brics-era-is-over-even-at-goldman-sachs/

17 BRICS free trade area. Global Times. 9th October 2016. http://www.globaltimes.cn/content/1010290.shtml

AN INTRODUCTION TO OBOR

What is One Belt One Road (OBOR)?

OBOR is a major development strategy by China that was first proposed by Xi Jinping and unveiled in September and October 2013 in his visits to Central Asia and Southeast Asia. In November 2013, the proposal for OBOR was then included in the Resolution of the Third Plenum of the 18th Central Committee of the CCP and implementation of the project began in 2015.



OBOR comprises the Silk Road Economic Belt (SREB), linking China and Europe through Central Asia and the Middle East, and the 21st Century Maritime Silk Road (MSR) to Africa and the Pacific. The aim is to build trade and infrastructure networks, taking advantage of international transport routes, core cities and ports.

OBOR includes 6 Economic Corridors:

- New Eurasian Land Bridge
- China - Mongolia - Russia Corridor
- China - Central Asia - West Asia Corridor
- China - Indochina Peninsula Corridor
- China - Pakistan Corridor
- Bangladesh - China - India - Myanmar Corridor

(Source: HKTDC)

OBOR has five major goals for cooperation including policy coordination, facilities connectivity, unimpeded trade, financial integration and people to people bonds. OBOR leaders have committed to opposing “all forms of protectionism”.

The initiative draws on the historical legacy of the ancient Silk Road, a 6, 000km road which connected China and Europe from around 100 B.C linking ancient Chinese, Indian, Babylonian, Arabic, Greek and Roman civilizations. It also aims to enhance cultural integration of OBOR countries e.g. offering scholarship schemes.

As of May 2017, 68 countries and international organisations had signed Belt and Road cooperation agreements with China.

A Belt and Road Forum for International Cooperation was held in Beijing May 14th 2017. This was the largest scale and highest level international meeting initiated by China. It was attended by 29 foreign leaders, heads of the UN, World Bank, IMF and representatives from 130 countries. There are plans for China to host a second forum on international cooperation in 2019.

What is being invested in priorities?

Key areas of construction and investment are in ports, power stations, oil and gas pipelines, railway lines, roads, bridges, internet networks and agriculture.

What are the (potential) benefits for China?

- To increase the ability of Chinese companies to invest in the building of roads, railway lines, ports and power grids etc.
- To enhance the Yuan’s role as a global currency.

- To improve prosperity for underdeveloped parts of China, particularly in the West (see section below).
- A way of dealing with domestic overcapacity-viable output.
- To open up new markets for Chinese products and services.
- An attempt to position itself as regional (and beyond?) leader and to replace the role of the US in the region.

How is it being implemented?

OBOR is managed by a small group led by Vice Premier Zhang Gaoli. The National Development and Reform Commission (NDRC), Ministry of Foreign Affairs and Ministry of Commerce have been given the role of implementing it. The NDRC has also been given the role of setting different international standards to guide its implementation.

Funding: in 2013 The China Development Bank planned to reserve more than US$890 billion for the development of more than 900 OBOR projects. OBOR is also backed by the $50 billion Silk Road development Fund and $100 billion Asian Infrastructure Investment Bank.

What is Hong Kong's Role?

In the National Development and Reform Commission's Vision and Action Plan for OBOR, Hong Kong has been encouraged by the Central Government to contribute to the initiative:

"We should leverage the unique role of overseas Chinese and the Hong Kong and Macao Special Administrative Regions, and encourage them to participate in and contribute to the Belt and Road Initiative. We should also make proper arrangements for the Taiwan region to be part of this effort". [18]

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18 Vision and actions on jointly building Belt and Road http://news.xinhuanet.com/english/china/2015-03/28/c_134105858_2.htm

Specific areas that are mentioned in the Action Plan include the deepening of cooperation between nearby cities in China and Hong Kong, as well as helping to build the Guangdong-Hong Kong-Macau Big Bay Area. In other words, OBOR may be seen as another step towards the mainland government's efforts to advance Hong Kong-Mainland integration. Furthermore, while Hong Kong has already played a role in China's "going out" policy, and has become a base for many Mainland Chinese companies and their subsidiaries which are investing overseas, this is something which might be expected to expand under OBOR.

Meanwhile, the HKSAR government has also stressed the perceived importance of the initiative for the city. At the Boao Forum in March 2015 Hong Kong's then Chief Executive, Leung Chun-ying, suggested that the OBOR initiative provided opportunities to Hong Kong through its roles as a fundraising hub, offshore renminbi hub, trade and investment hub, its professional services (e.g. legal, banking, accountancy and insurance) and as a logistics and transportation hub[19]. In this vain, the Hong Kong government also held its first Belt and Road summit in May 2016, supported by the Chinese Ministry for Foreign Affairs and the National Development and Reform Commission, at which 2,400 government and business officials reportedly attended. A second such forum is planned for September 2017 with target participants including investors, service providers and project owners and operators. While OBOR is deemed important by the Hong Kong and mainland government and such forums, which carry high participating fees, are being held to attract the business community, it is worth asking about the absence of democratic consultation and what will be the potential impacts on the lives of ordinary people in Hong Kong as further economic (and political) integration is encouraged through Hong Kong's involvement in China's development strategies such as OBOR.

19 One Belt One Road. Legislative Council of the Hong Kong SAR: http://www.legco.gov.hk/research-publications/english/essentials-1415ise12-one-belt-one-road.htm

Causes for concern and responses to China’s overseas investment and OBOR?

Despite official Chinese rhetoric in presenting the OBOR initiative as a part of its ‘peaceful rise’, investment by Chinese companies has often had negative impacts in the countries in which they are investing. These include:

- ***Environmental degradation***: e.g. depletion of natural local resources, destruction of natural habitats, pollution. Projects have often been initiated without adequate Environmental Impact Assessments.

- ***Displacement of local communities and their cultures*** and a lack of consultation of local communities affected by investment and development projects.

- ***Infringement of workers’ rights, poor wages and working conditions***. Violations of labour and/or trade union rights affecting both local and Chinese workers have frequently been reported at Chinese companies invested overseas.

- ***The creation of dependency and debt in developing countries***: While China has often been portrayed as offering more friendly loans and grants with fewer terms and conditions than western counterparts, and while in some cases this may be true, this has not exclusively been the case. There are also concerns over unpayable debt related to economically unviable megaprojects (such as in Sri Lanka), unproductive investments and bad loans, as well as hidden costs. In some cases, Chinese companies are reportedly being treated favourably as a result of loans made by China, despite negative impacts on local communities. In Cambodia, for example, Chinese companies control a quarter of all agricultural and forest land, something which has seen destruction of the natural environment and displacement of villagers[20]. Meanwhile some countries have ceded land and access to infrastructure to China in exchange for debt relief. In Sri Lanka, for instance, plans to cede an 80% share of the Hambantota deep sea port, as well as land for an industrial zone, to China for 99 years in exchange for $1.1 billion debt relief were initially temporarily stalled following protests. Later, however, the government reportedly resumed plans to go ahead with sales of the port.[21]

- ***Lack of transparency and corruption***: collusion with (corrupt) overseas governments in support of investment projects, including projects being awarded without relevant approvals.

As a result of some of the above reasons there have been protests in some locations in opposition to Chinese investment projects. In some instances these have been violently repressed by the state, although some such protests have also been more permissible depending on the local politics.

Investment has also led to a growth of anti-China sentiment in some locations. This has both been a result of opposition to foreign competition by local tycoons and political elites, as well as the negative impacts on ordinary people, their communities and the environment.

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20 China reaps concession windfalls. May Titthara. 2nd April 2012. The Phnom Penh Post: http://www.cchrcambodia.org/media/files/news/623_200pcrcw_en.pdf

21 Violent Protests Against Chinese 'Colony' in Sri Lanka Rage On. Wade Shepard. 8th January 2017. https://www.forbes.com/sites/wadeshepard/2017/01/08/violent-protests-against-chinese-colony-in-hambantota-sri-lanka-rage-on/#211521a413dd

THE ENVIRONMENTAL IMPACT OF ONE BELT, ONE ROAD

One of the areas where significant concerns need to be raised relate to what globalization as promoted by China through OBOR might mean for the environment. Official documents and statements relating to OBOR state the need to tackle climate change and protect the environment. Expressions of commitment are made to promoting green construction and taking into account the impact of investments on the environment in the implementation of OBOR. Some commentators have also suggested that through OBOR China might aid developing countries in their capacities to pursue more environmentally sustainable development. Despite this, however, clear policy guidance on exactly how to ensure that projects are pursued in an environmentally sustainable way are largely absent from official statements on OBOR. In fact, a closer examination of what the implementation of the policy has meant so far and what it might continue to entail suggests that OBOR poses serious threats to the environment and is likely to result in increased environmental degradation and pollution, along with natural resource depletion that may adversely impact on local populations along OBOR routes.

Although in the National Development and Reform Commission's 2015 Vision and Action document for OBOR, commitments to advancing clean and renewable energies such as wind and solar power are highlighted as areas for investment and cooperation, so are increased cooperation in, "the exploration and development of coal, oil, gas, metal minerals and other conventional energy sources"[22]. As far as coal is concerned, China has already been heavily involved in overseas investment. According to the Global Environment Institute, between 2001 and 2016 China was involved in 240 coal power projects in OBOR countries, with India, Indonesia, Mongolia, Vietnam and Turkey the top five countries in which it was involved.[23] Investment in coal power stations in Pakistan is another notable example where China is investing billions of dollars as part of the China-Pakistan Economic Corridor and the Port Qasim Power Project represents China's largest overseas coal power investment. In other words, OBOR is set to continue to contribute to the expanded use of fossil fuels overseas at a time where the world faces climate catastrophe and there is ever greater need to shift away from carbon intensive energy sources. This therefore seems to be somewhat at odds with commitment to environmental sustainability.

At the same time, China's commitment to clean and renewable energy also includes commitment to the expansion of nuclear power, a form of energy which poses harmful risks to the environment and to human safety. Expansion of nuclear power in China has already been criticized for lax safety standards. Meanwhile its investments in hydropower also carries with it some environmental risks due to the impact that large-scale dams can have on biodiversity due to the destruction of natural habitats, not to mention the human impacts resulting from the displacement of local populations, in preparation for dam construction. China already has a significant number of dam building projects both domestically and internationally. By 2010 it was already involved in over 200 projects in 49 countries and was building many of the world's largest hydropower stations.[24]

22 2015 OBOR action plan http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html

23 China's Belt and Road Initiative Still Pushing Coal, Feng Hao, 12th May 2017, https://www.chinadialogue.net/article/show/single/en/9785-China-s-Belt-and-Road-Initiative-still-pushing-coal

24 Hydropower: Environmental Disaster or Climate Saver? China Water Risk, 6th July 2010, http://chinawaterrisk.org/resources/analysis-reviews/hydropower-environmental-disaster-or-climate-saver/

The impacts of some of its projects so far provide little room for confidence. Within China dam projects, such as the Three Gorges Dam, are reported to have displaced more than 23 million people while also impacting on the availability of water and environmental quality. Overseas, dam projects such as those in Cambodia, along the Mekong River, have also been posing threats to human and environmental well-being and carried out without adequate Environmental Impact Assessment approvals[25].

It has also been observed that much of the New Silk Road and Maritime Silk Road are situated in regions where the natural environment is vulnerable and resources already under a lot of stress, which will be only further compounded by climate change and additional human activity. Although in some areas displacement is a problem, new projects will significantly increase the number of people living along the routes in many locations, again altering natural environments. Such vulnerabilities are additional causes for concern which need to be properly researched and evaluated[26] if OBOR investment is to be carried out in an environmentally sustainable way. In Bagamoyo, in Tanzania, for instance, where there are plans to construct Africa's largest port, the area around where the port will be constructed is surrounded by endangered mangroves and local fishing activities and smallholder agriculture, which provide for the livelihoods of local inhabitants and which are very sensitive to local environmental conditions.[27] Meanwhile in Russia, concern has been raised by environmental NGOs over the potential impacts of investment projects by Chinese capital in the Zabaikalsky province of Russia related to the Amazar project and

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25 China Dams the World: The Environmental and Social Impact of Chinese Dams, Frauke Urban and Johan Nordensvard. 30th January 2014. E-International Relations.

26 Some scholars have proposed that monitoring be implemented for baseline measurements even before projects are implemented. See: Building a new and sustainable 'Silk Road Economic Belt', Li, Qian, Howard and Wu. 2015.

27 http://thediplomat.com/2015/12/the-port-of-bagamoyo-a-test-for-chinas-new-maritime-silk-road-in-africa/

the Pokrovka-Loguhe Border Crosser, which have been seen as crucial parts of OBOR by Heilongjiang province, and where related logging and damming activities are being carried out without proper Environmental Impact Assessments in a region which is vulnerable to resource depletion and destruction of its rich biodiversity[28].

Indeed pollution and environmental destruction problems caused as a result of overseas investment projects by Chinese capital perhaps give little room for confidence in this regard. In Africa, which became increasingly important to China as it transformed itself into the 'world's factory' as a location for extraction of natural resources, such as oil, gas, minerals and timber, in which China lacks a sufficient domestic supply, Chinese companies, sometimes with the collusion of corrupt local officials, have been criticized for causing environmental damage and violating local conservation laws. Sinopec's activities in Gabon in the mid-2000s, for instance, led to public outrage for the way that in its prospecting for oil it illegally caused mass pollution and destruction to Gabon's national parks and rainforest.[29]

With many overseas investment projects having being carried out without first properly conduction Environmental Impact Assessments, it is also notable that China does not have a strong record in ensuring that Chinese companies overseas behave in an environmentally responsible way. While the Chinese Ministry of Commerce and Ministry of Environmental Protection jointly issued Guidelines for Environmental Protection in Foreign Investment and Cooperation in 2013, these are non-binding and so have little power of enforcement over Chinese companies operating overseas. This means that the task of ensuring environmental standards is left to

28 Environmentalists warn Shenzhen stock exchange about risks of Amazar "Belt and Road" project in Russia. 12th May 2017, http://www.transrivers.org/2017/1922/

29 China's environmental footprint in Africa, Ian Taylor, February 2007, China Dialogue, https://www.chinadialogue.net/article/show/single/en/741-China-s-environmental-footprint-in-Africa

respective host countries (many of which have lax laws relating to environmental standards), and individual companies' degree of compliance with their internal CSR policies or the requirements of lending institutions[30] such as the Asian Infrastructure Investment Bank (but even here these may be very inadequate).

It is further notable that one of China's aims in pursuing OBOR is to help to absorb its overcapacity in highly polluting industries such as iron and steel and cement. This therefore potentially acts to further encourage this trend of overproduction, rather than acting as an incentive to resolve this problem and for companies in these industries to cut this capacity and to preserve resources, something which local governments in China have been reluctant to do due to the way that these industries have added to local government funds, thereby reducing domestic pollution. There is also the risk that this potentially passes on further environmental risks to overseas countries with investment in white elephant infrastructure megaprojects, aimed at absorbing some of this overcapacity. Indeed, it has been noted that while the China Development Bank and state commercial banks are committing billions to lending and investment in projects in OBOR countries, mainland banks have poor records in efficient allocation of resources and in overinvestment, having, according to a National Development and Reform Commission study, accrued 66.9 trillion yuan's worth of ineffective investment while less than 60% of capital projects have been delivered as planned since 1997.[31] There is therefore reasonable risk that if this trend is followed, a proportion of projects that are invested in will be unnecessary or underutilized, thereby constituting a further waste of world resources and energy.

30 商務部 環境保護部關於印發《對外投資合作環境保護指南》的通知 . 28th February 2013, Ministry of Commerce of the People's Republic of China, http://hzs.mofcom.gov.cn/article/zcfb/b/201302/20130200039909.shtml Would Ecological Civilization take the Silk Road? Eugene Simonov 26th March 2017, http://www.transrivers.org/2016/1650/

31 'One Belt' infrastructure investments seen as helping to use up some industrial over-capacity, Eric Ng, 2nd November 2015, South China Morning Post. http://www.scmp.com/business/article/1874895/one-belt-infrastructure-investments-seen-helping-use-some-industrial-over

China's past records in environmental protection overseas, the lack of clear commitments and enforcement mechanisms, along with the fact that in reality, although many parts of the initiative carry environmental risks, there are also aspects of the investment and development strategies proposed as a part of OBOR that are inherently harmful to the environment, together suggest that there are many reasons for us to be concerned about the environmental impacts of OBOR. With China itself both suffering from intensive environmental degradation as a result of it having prioritized economic growth over protection of the environment and also in need of natural resources, its making use of developing countries to satisfy these needs and to reduce or solve its own domestic problems only shifts a part of the environmental costs on to other countries. While China is of course by no means the first country to go down this route (North America and Europe have a long history in this regard), this does not provide justification or excuse for continuation of such exploitative practices by any country. The world is facing a climate crisis which poses threat to the future of humanity as a result of some aspects of human activity which have had destructive impacts on the planet. Jointly working openly and transparently to repair and preserve our ecosystems and to create a habitable earth for future generations internationally is an urgent priority for governments and people around the world. OBOR does not fit with this priority.

LABOUR ISSUES AND WORKERS' RIGHTS

As the OBOR initiative seeks to expand China's investments overseas, labour rights issues in host countries also need to be considered. In this respect China's overseas investments have already given rise to a number of concerns. Reports of violations of labour rights, for instance, are frequently reported at Chinese invested companies in Africa, a continent which has become increasingly important to China, particularly following the 1990s, as the need for new sources of energy and natural resources became increasingly apparent to support rapid economic growth and where Chinese companies have been investing significantly in infrastructure projects. Informal employment, lack of labour contracts, long working hours, wages below minimum wage standards, lack of regard for local labour legislation, violations of ILO core conventions, lack of training on health and safety issues and a lack of proper safety equipment, the absence of welfare provisions, inadequate and overcrowded accommodation are reported amongst common problems.[32] Where workers' rights have been violated and disputes have occurred workers have also faced additional challenges in getting proper redress. In some locations, for instance, bribery has also been identified as a problem, with workers reporting that, in cases of labour disputes, Chinese companies will sometimes pay "tips" to labour officers, police or trade unions to "settle" the dispute.[33] Another reason, however, is that it is also common for host

32 Chinese Companies Labor Dilemma in Kenya, Zhicong Deng, 19th June 2015: http://www.chinaafricaproject.com/chinese-companies-labor-dilemma-kenya/ and China Investments in Africa: Opportunities or Threat to Workers? Africa Labour Research Network. 2009.

33 China Investments in Africa: Opportunities or Threat to Workers? Africa Labour Research Network. 2009.

governments to support Chinese companies against workers when there are labour disputes.[34]

In Asia and Europe there have also been a number of strikes and disputes resulting from labour rights violations at Chinese invested companies overseas too. In January 2017, for instance, workers at a Chinese clothing factory that made clothing for H&M, belonging to Hangzhou Hundred-Tex Garment, in Myanmar went on strike for three weeks over pay, the company's failure to uphold local labour laws and its firing of the labour union president. The strike ended after the company agreed to pay the daily minimum wage, uphold laws on overtime and rehired the fired union president[35].

Trade union rights are another issue. In some countries, union bashing is reportedly very common at Chinese companies. Many workers are afraid to join unions for fear of losing their jobs and collective bargaining is very rare. Where representation does exist it has also been reported by workers to be ineffective[36]. Trade unions in Ghana, for instance, have reported that organization at Chinese companies has been especially difficult due to Chinese employers' reluctance to engage in collective bargaining, their inability to communicate due to language barriers, and claims by Chinese employers that they need to communicate with their bosses in China resulting in considerable time delays. They have also reported seeing Chinese companies as a threat to previously won social protection.[37] Some unions in Africa have managed to unionise workers at Chinese companies though, and progress on collective

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34 Ibid

35 Strike at Chinese factory in Myanmar another bump along 'One Road', Kinglin Lo, 11th March 2017, http://www.scmp.com/news/china/diplomacy-defence/article/2077951/strike-chinese-factory-myanmar-another-bump-along-one

36 China Investments in Africa: Opportunities or Threat to Workers? Africa Labour Research Network. 2009.

37 Ibid

bargaining has been noted by trade unions.[38]

It is not just local workers who have faced intensive exploitation at the hands of Chinese companies investing overseas. As China has expanded its investments overseas, this has also led to a rise in the number of Chinese workers going overseas to work for Chinese companies. This is something which has long been encouraged by the Chinese government in order to reduce domestic labour surplus or to allow for remittances to support domestic local economies, however, according to official state media, a greater number of Chinese workers are expected to go to work overseas under OBOR.[39] The types of work often include work in factories, on construction sites and on engineering projects, although the range of work can vary greatly. According to some statistics, as of the end of November 2015, a total of 7.96 million workers were reported to have been sent abroad through foreign labour cooperation business[40]. The exact figure of Chinese workers sent abroad is difficult to know, however, as in addition to through legitimate channels such as overseas labour cooperation companies and overseas employment agencies licensed by the Ministry of Commerce, many workers are also sent overseas by unlicensed agencies and other unscrupulous labour brokers without proper documents[41]. Many of the workers who go overseas come from rural areas and do so, leaving behind their families, with the aim of earning money to send back home. Chinese workers who have gone to work overseas for Chinese companies have also faced various forms of exploitation, both directly at the hands of the investing company itself and employment

38 Chinese MNCs in Africa: Development Burden on Labour: Political, Economic and Cultural Perspectives, BWI 2016.

39 Chinese workers lured exploited by overseas employment agency. 9th May 2017. People's Daily Online: http://en.people.cn/n3/2017/0509/c90000-9213002.html

40 2015 年 1-11 月我国对外劳务合作业务简明统计，中国国际劳务信息网 19th December 2015 http://www.ciwork.net/news/view.asp?id=18415

41 Hired on Sufferance: China's Migrant Workers in Singapore, Aris Chan, 2011. China Labour Bulletin.

agencies. Unpaid and delayed wages, as well as the issuing of incorrect visas have been reported amongst the problems. As a result of labour rights violations and discrimination faced by Chinese workers overseas, Chinese workers have also sometimes become involved in disputes and collective actions.

An additional problem facing some Chinese workers has been conflict with locals in the countries where they go to work. While Chinese companies do hire a significant number of local employees, there are also instances of complaints concerning Chinese companies that largely only or at least are perceived to largely only import workers from China and so do not bring any benefits to the local communities in which they invest. Language gaps have also been cited as another factor leading to misunderstanding between Chinese companies and local employees in Africa. Meanwhile it is not uncommon for overseas Chinese workers to live in dormitories in compounds that are separate from local communities meaning that they have very little interactions with local communities. This only exacerbates further misunderstandings and tensions. These reasons along with resentment against the impacts of Chinese overseas investment more generally have sometimes led to protests and attacks on Chinese workers overseas. In August 2016, for instance, residents from Narok County in Kenya stormed a construction site of the China Road and Bridge Company (CRBC), a Chinese company which has been contracted to build a $13.8 billion railway connecting the port city of Mombasa to Nairobi, and attacked Chinese workers with clubs and knives. The residents were reportedly angry after having been promised jobs on the construction project which had never materialized.[42] The company, which in addition to Chinese workers claims to have employed

42 Kenyan railway workers are protesting against their Chinese employer for a raise to $5 a day Lily Kuo. 3rd August 2016, Quartz: https://qz.com/749177/kenyan-rail-workers-are-protesting-against-their-chinese-employer-for-a-raise-to-5-a-day/

thousands of local workers across its construction sites, has also been criticized for firing workers without cause, stealing water from local communities and secretly dredging sand from beaches for construction materials. In one case, at another CRBC construction site related to the project, workers stopped work and blocked roads in protest at the company not listening to demands for a salary raise, firing those who had asked for a pay rise and poor working conditions[43]. In other words, while some of the malpractices of Chinese companies overseas have resulted in tensions or conflict with locals, Chinese and overseas workers, who work at Chinese companies invested overseas, face many common issues in terms of exploitation and rights violations.

There have been some instances where workers and labour unions overseas have also played a role in attempting to oppose Chinese investments in the first place. Towards the end of July, in Sri Lanka for instance, the Ceylon Petroleum workers' trade unions went on indefinite strike in opposition to the Sri Lankan government's plans to hand over state owned oil storage depots to China and India.[44] The Sri Lankan government had recently been reported as praising China's OBOR initiative and this was not the first strike over the issue. A previous strike by the union had reportedly led to assurances from the government that the government would not hand over the facilities, however later the government was seen to have backtracked over the issue. The strike in July was met with repression by the Sri Lankan government, which invoked a law enabling the government to ban strikes in key sectors including the energy sector. Around twenty of the oil workers were arrested and the army was brought in to protect oil distribution centres,

43 Protesting road workers paralyse traffic in Nakuru, Joseph Openda, 1st August 2016: http://www.nation.co.ke/counties/nakuru/1183314-3325264-fnylgrz/index.html

44 CPC on strike against bid to sell assets to China, India 24th July 2017: http://www.island.lk/index.php?page_cat=article-details&page=article-details&code_title=168833

meanwhile the government finalized a $1.12 billion deal to sell off a majority stake in the Hambantota port (a location of oil storage tanks) to China Merchants Port Holdings[45], a Chinese SOE based in Hong Kong.

Overall, therefore, the track record of some of the effects of Chinese investments overseas and the practices of Chinese companies leaves little room for optimism in relation to the impact on workers and labour rights as China seeks to further expand its investments overseas. This is something which should be closely monitored by civil society.

45 Sri Lanka arrests oil workers as troops restore supplies, 26th July 2017:https://www.yahoo.com/news/sri-lanka-deploys-troops-amid-oil-workers-strike-053312128.html

AN INTRODUCTION TO THE CHINA-PAKISTAN ECONOMIC CORRIDOR

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While initial plans for the China-Pakistan Economic Corridor (CPEC) long predate those of OBOR it has been given renewed impetus under it and has come to be described as a flagship OBOR project. Along with the Bangladesh-China-India-Myanmar Economic Corridor, the CPEC receives specific mention in the National Development and Reform Commission's 2015 OBOR Vision and Action document. The corridor, which involves a series of infrastructure projects linking the two countries, runs for 3,000 kilometres from Kashgar in western China to the port of Gwadar in Pakistan. Along the corridor huge infrastructure projects, including roads, railways and power plants and an optical cable fibre network are either being built or planned to be built, and are largely funded by Chinese capital and loans. The value of the corridor is currently estimated to be US$62 billion.[46]

Details of the 231 page document developed by the China Development Bank and the National Development Reform Commission of the PRC in 2015 on the Long Term Plan for the CPEC were leaked by Pakistan newspaper the Dawn in May 2017. Significantly, one important point highlighted by the Dawn report on the plan is how despite infrastructure project such as roads and power plants being some of the most common associations with the CPEC, the plan contains greater detail concerning agriculture projects suggesting that it is an additional key priority. This includes many different aspects of agriculture from provision of seeds,

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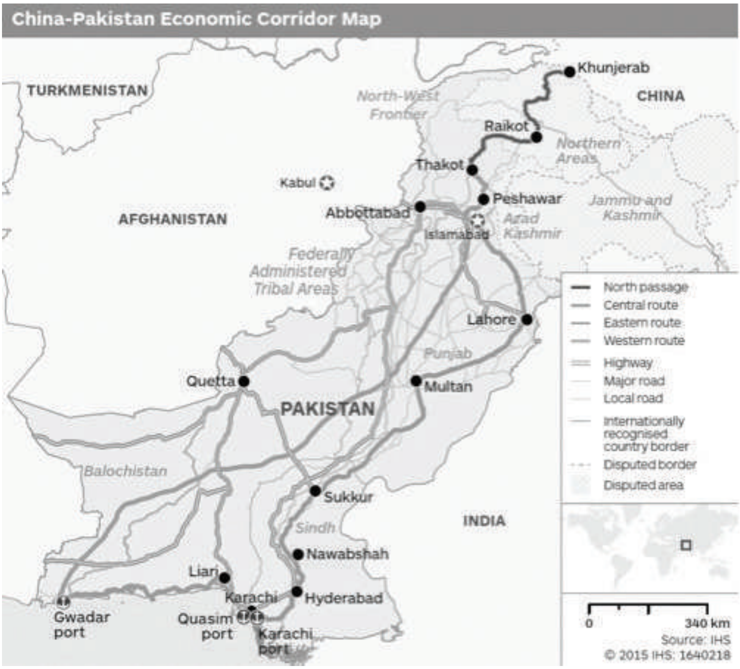
46 What's happening at Pakistan's Gwadar Port? Zofeen T. Ebrahim, 16th June 2017. https://www.chinadialogue.net/article/show/single/en/9869-What-s-happening-at-Pakistan-s-Gwadar-port-

fertilizer and pesticides, operation of farms and processing facilities by Chinese enterprises, to logistics companies operating storage and transportation for agricultural produce. It also seeks to make use of work of the Xinjiang Production and Construction Corps, a state owned enterprise and paramilitary organization, to introduce mechanization, scientific techniques for livestock breeding, development of hybrid varieties and precision irrigation to Pakistan. In addition to profitable opportunities for Chinese enterprises, the plan also places emphasis on opportunities for the Kashgar Prefecture within the Xinjiang Autonomous Zone.[47] As an underdeveloped region in China, the plan therefore seems to suggest that China intends the CPEC to aid in its development strategy there.



(Source: JOC)

47 Exclusive: CPEC master plan revealed, Khurran Hussain, 21st June 2017, Dawn: https://www.dawn.com/news/1333101

The Gwadar Port

The Gwadar Port (Wikimedia commons: umargondal)

Another important component of the CPEC is the Gwadar port, a deep water sea port, which lies at the end of the corridor and which although owned by the Pakistan government, is being operated by Chinese state-owned China Overseas Port Holding Company (COPHC). The port was originally jointly developed by the Pakistan and Chinese government and inaugurated in March 2007; however control was then handed to the Port of Singapore Authority (PSA) under a 40 year concession agreement. In 2013, reportedly following the failure of the PSA to expand business, lack of agreed investment by the PSA due to security concerns in the region and the Pakistan Navy's failure to transfer land for the development of a free trade zone, the concessional rights were transferred back to

COPHC. A second phase of the port's construction is now underway as part of the CPEC. This second phase of expansion involves an expected $1.02 billion dollars of contracts and involves the construction of nine new multipurpose berths and other expansions to port infrastructure. This expansion is being financed by loans from China's state owned banks.

Why is the port important? The location of the port is strategically significant. Gwadar is located near to the Persian/Arabian gulf and the Strait of Hormuz, through which significant percentages of the world's petroleum passes, and it has been suggested that the port will allow China to benefit from the shorter transportation route for the transportation of oil and gas from gulf countries. This is something which some Chinese media has attempted to downplay, claiming that benefit to China may be limited due to the size of the port when compared to China's demand for petroleum imports, and instead emphasizing the development opportunities for Pakistan[48]. Nevertheless given concerns over energy security and the fact that its key existing route for the transportation of oil imports , the Straits of Malacca through which 80% of its oil are imported, are frequently patrolled by the US and have the potential to be affected by territorial disputes in the South China Sea, and there is also increased surveillance by the Malacca Straits by India as it becomes more concerned about China's String of Pearls, the Gwadar port is therefore very strategic as it has the potential to circumvent this problem if China's energy imports are threatened. This thereby also potentially reduces the likelihood of conflict between the US and China. Indeed there are further geopolitical implications associated with closer China-Pakistan relations and OBOR, as the CPEC itself has also been an additional source of tension with India due to territorial disputes in the region that the corridor passes through.

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48 Gwadar Port Benefits to China Limited, Lu Xuanmin, 23rd November 2016, the Global Times: http://www.globaltimes.cn/content/1019840.shtml

A lot of the initial cargo handled by the newly expanded port is expected to consist of construction materials for other CPEC projects. However, current projected traffic for the port is far below original expectations in part because the roads that the CPEC is expected to build to link it to industrial zones in China are not yet constructed[49]. A free trade zone is also being established in conjunction with the expanded port. In late 2015, COPHC leased 650 acres of land to build and operate the free trade zone (as part of a total of 2,2,81 acres that Pakistan will eventually provide to the company as part of this zone). The Gwadar Free Trade Zone will provide an entry point for Chinese companies and products to enter Pakistan and in April 2016, COPHC chairperson, Zhang Baozhong, said that the company would commit US$4.5 billion to roads, power, hotel and infrastructure for the zone[50].

The impacts of the CPEC

Overall, if it goes ahead as planned and is not too adversely affected by security issues and local government delaying or restricting implementation, the CPEC therefore presents opportunities to benefit China in the sense that it advances the interests and opportunities of Chinese capital as well as China's geopolitical influence more broadly. As far as Pakistan is concerned the picture is less clear. Despite the emphasis on the potential benefits to Pakistan, promoted by both the Chinese and Pakistan governments of the CPEC, the project has first of all been criticized for the economic risks that it carries to Pakistan, and that it may risk leaving Pakistan trapped in debt and dependency on China, as has become the case in some

49 Expanded Chinese operated Chinese port almost ready, Kay Johnson, April 12 2016, http://in.reuters.com/article/pakistan-china-ports-idINKCN0X91PT

50 Chinese-Pakistani Project Tried to Overcome Jihadists, Droughts and Doubts, Saeed Shah, April 10 2016: https://www.wsj.com/articles/big-chinese-pakistani-project-tries-to-overcome-jihadists-droughts-and-doubts-1460274228

other countries such as Tajikistan[51]. According to the IMF, the CPEC project carries with it potentially serious repayment obligations for Pakistan on loans from Chinese banks. Such repayments are expected to rise after 2021 and, along with profit repatriation by Chinese investors, have the potential to be a burden if growth generated by the CPEC is not enough to cover them, something which is far from guaranteed.[52]

The CPEC has received a lot of criticism inside of Pakistan, both from those with nationalist perspectives, as well as from critics across the political spectrum raising genuine concerns about the adverse impacts on ordinary people. Protests have occurred in some regions against the way that the CPEC is being implemented by both the Pakistan government and China[53], with some reportedly opposed to "Chinese imperialism". Although some have suggested that CPEC may potentially improve Pakistan's economic growth and have positive outcomes, for instance through allowing producers (such as fruit growers) from Pakistan to sell produce more easily in China, concerns have also been raised that in reality impacts may bring few benefits to locals and act as a drain on their resources. Fears both of displacement and destruction of farmlands from which people make their livings represent key concerns[54]. Around the Gwadar port there are also concerns about the impact on the livelihoods of local fishermen and their potential displacement to locations with inadequate amenities and facilities to accommodate all of them so

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51 Can Pakistan Afford CPEC, K.S. Venkatachalam, June 16th 2017. The Diplomat: http://thediplomat.com/2017/06/can-pakistan-afford-cpec/

52 IMF warns Pakistan of looming China-Pak Economic Corridor Bill. The Economic Times, 17th October 2016. http://economictimes.indiatimes.com/news/international/business/imf-warns-pakistan-of-looming-china-pak-economic-corridor-bill/articleshow/54902281.cms

53 Protesters to be charged under anti-terrorism laws: Pak on CPEC row, 18th August 2016 https://in.news.yahoo.com/protestors-charged-under-anti-terrorism-laws-pak-cpec-102338972.html

54 Exclusive: CPEC master plan revealed, Khurran Hussain, 21st June 2017, Dawn: https://www.dawn.com/news/1333101

that they can maintain their current incomes.[55] Meanwhile Gwadar city has also been suffering from a growing water crisis which has left thousands without access to clean drinking water, as increasing investment has put additional strain on the water resources that do exist[56]. Some critics have also observed that where the project has been presented as providing benefits in terms of local job creation, this may not amount to so much if existing examples of Chinese investment in Pakistan are considered, since many of these largely rely on skilled labour imported from China[57].

As far as the environment is concerned, the construction of new coal power stations as a part of the CPEC has been another reason for criticism of the CPEC. Although the CPEC is often promoted as a way to help aid Pakistan's power problems, the way that this is done and the type of power invested in might be seen as problematic. In another sign that the Chinese and Pakistan governments are prioritizing CPEC investment projects over environmental sustainability, in 2016 when the Pakistan government imposed a ban on new power plants that would make use of imported coal, projects mutually agreed by China and Pakistan or finalized under the CPEC were reported to be exempt[58]. Another issue involves the destruction of farmland and fragile ecosystems to make way for the CPEC. Although new trees are being planted, tens of thousands of mature trees have already reportedly been cut down from forests across Pakistan in preparation for the construction of the Raikot-Islamabad highway, with the Pakistan Environmental Protection Agency rejecting the initial Environmental Impact Assessment on

55 http://thediplomat.com/2017/06/whats-happening-at-pakistans-gwadar-port/

56 Pakistan's Gwadar Port reels under water shortages, P M Baigal, 9th February 2016 https://www.thethirdpole.net/2016/02/09/pakistans-gwadar-port-reels-under-water-shortages/

57 What the government's not saying about CPEC, Faraz Talat, 18th May 2017 https://www.pakistantoday.com.pk/2017/05/18/what-the-governments-not-saying-about-cpec/

58 Govt bans new power plants based on imported fuels , Khalid Mustafa, 29th July 2016, The News: https://www.thenews.com.pk/print/138539-Govt-bans-new-power-plants-based-on-imported-fuel

the grounds that it was unprofessional and lacked information about environmental costs.[59]

Concerning all of these issues, a key complaint that has only heightened local fears relates to the lack of transparency in the way that the project is being carried out. In this respect both the Pakistan and Chinese governments have been criticized for failing to be transparent enough, and this makes full analysis of some of the likely costs and debts incurred very difficult. According to the Dawn newspaper, the only provincial level Pakistan government to receive a copy of the full version of China's long term plan for the CPEC was the Punjab government, with other provincial governments only receiving a 30 page shortened summary version which only highlighted "areas of cooperation" and did not provide details. Again, in addition to the details for the plan and the economic impacts, further concern has also been raised over government measures to adequately monitor and report the impact on the environment. The fact that such an extensive project which potentially has significant (adverse) impacts on Pakistan and the lives of people living there is being implemented without proper disclosure and consultation involving the peoples whose lives it effects is another reason to call China's OBOR strategy into question.

59 Cutting down trees for CPEC, Muhammad Sadaqat, 4th May 2017, http://herald.dawn.com/news/1153738

WHAT MIGHT ONE BELT, ONE ROAD MEAN FOR PEOPLE IN CHINA?

While OBOR is an outbound development strategy that is expected to significantly expand China's political and economic reach overseas, it also potentially has significant domestic implications. On the one hand, as highlighted above, OBOR is in part intended to solve domestic problems such as overcapacity issues, while on the other hand it should result in profits flowing back to China from overseas investments made by Chinese companies. Along with additional trade opportunities and investments made in China, according to some narratives of development, this should also contribute to improving prosperity domestically. Indeed OBOR is also intended to support the development and reform of all provinces and regions within China[60], with different provinces and regions intended to have different functions within the plan and many also passing their own development plans in relation to this. In this respect, Xinjiang and Fujian have been considered "core areas' due to their geographical locations. Xinjiang is seen as a "window westward" to Central, South and West Asian countries and is expected to become financial hub for Western China, while Fujian is important for the maritime Silk Road and will focus on further development of logistics, shipping and marine sectors. The Western regions of Chongqing, Shaanxi, Sichuan, Xinjiang and Yunnan will also focus on infrastructure and urbanization projects and expanding international trade opportunities. Meanwhile Gansu, Ningxia and Xinjiang have a role in relation to their good natural and agricultural

60 One Belt One Road: A role for UK companies in developing China's new initiative, China-Britain Business Council.

resources. In the Eastern coastal provinces of Fujian, Guangdong, Jiangsu and Zhejiang new opportunities are expected to be seen in more advanced sectors such as financial and professional services, shipping and logistics, advanced manufacturing, e-commerce, healthcare and life sciences[61].

With China internally suffering from significant uneven development, however, parts of the OBOR project seem intended to advance development in less developed regions. Such objectives are also important considering the CCP's domestic concern with its legitimacy and social stability, something which partially relies on maintaining steady economic growth rates and the employment situation, areas which have come under strain in recent years as the economy slows down.

Xinjiang is one such underdeveloped region where, as described above, considerable weight is given in official plans for OBOR and the CPEC to the potential economic benefits that these initiatives might bring. Xinjiang is also a region which has seen a lot of unrest due to the Chinese government's suppression of the Uyghur population, and which has seen the resettlement of large number of migrants from throughout China to Xinjiang as part of a policy of pacification. In this respect a report on OBOR and the likely impacts in Xinjiang by the Uyghur Human Rights Project notes how earlier centrally driven development projects, which have encouraged the buildup of infrastructure, investment and migration such as Open up the Northwest (1992), Western Development (2000), and the Xinjiang Work Forums of 2010 and 2014, have done little to improve the economic situation of Uyghurs and have instead contributed to further displacement, while Uyghurs lack rights to participate in the development process. Following this, the report considers

61 One Belt One Road: China-Britain Business Council and 2015 OBOR action plan http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html

OBOR a continuation of previous state approaches to development, which will curb cultural identity, exacerbate tensions relating to assimilation and marginalization, while OBOR investments will not lead to equitable disbursement benefits to Uyghurs[62]. It also cites the analysis of Michael Clarke, an academic who has researched Xinjiang and China's Rise, when he states that:

"The intensification of Uyghur and Tibetan opposition to ongoing Chinese rule since 2008 has underlined for Beijing the need to accelerate the economic development/modernization of these regions as the primary means of achieving their integration into the modern Chinese state[63]."

A well-known Chinese writer, Wang Lixiong, wrote a book Wode xiyu, nide dongtu (My West Land, Your East Country) which gives similar testimony to the Uyghur report concerning the modernisation of Xinjiang and how it brings little benefit to local ethnic groups, which lack participation in the government's development projects[64].

Although OBOR is a comparatively new initiative and impacts are as yet difficult to fully judge, given the past experience of the consequences of China's development over recent decades, equitable distribution and genuine meaningful benefits of OBOR for many people across China are also perhaps very doubtful. Whereas prior to the 1980s inequality levels were very low, in the period since China commenced with market reform, economic inequality in China has grown substantially, such that it now ranks amongst the highest levels in the world. While estimates vary, and the Chinese

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62 End of the Road: One Belt, One Road and the Cumulative Economic Marginalization of the Uyghurs, Uyghur Human Rights Project, March 2017.

63 Ibid p20 and Understanding China's Eurasian Pivot, Michael Clarke, 10th September 2015, The Diplomat: www.thediplomat.com/2015/09/understanding-chinas-eurasian-pivot/

64 我的西域，你的东土 Wang Lixiong. 2007. Locus Publishing, Taipei.

government has stopped releasing official figures since 2000, some have assessed China's Gini Coefficient as reaching 0.73 or higher by 2012, and that the richest 1% held more than a third of the nation's wealth[65]. Meanwhile environmental destruction and pollution have also become a major problem as China has pursued rapid growth and development, and this is something which has also had an adverse impact on human health. Air pollution is just one example, with toxic smog becoming a common occurrence across many major cities, particularly in the north of China, as a result of increased coal burning and industrial and vehicle emissions. Smog has become so serious that research by Nanjing University's School of the Environment published in 2016 found that smog was responsible for a third of deaths in China[66]. Meanwhile more than 60% of China's underground water is reported to be polluted, with a lot of water sources contaminated by industrial waste and chemicals. According to Greenpeace, 320 million people in China do not have access to clean water[67].

With the Chinese government showing no signs of breaking away from the trajectories that have fuelled this in the near future, and with OBOR only representing an outbound expansion, at the same time that OBOR investments overseas can be expected to further ecological harm and have negative impacts on ordinary people internationally, domestically it is likely that OBOR also represents just another initiative which prioritizes profits for the elites and the strengthening of the Communist Party regime over meaningful improvements for ordinary people and the environment.

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65 北大报告：中国 1% 家庭占有全国三分之一以上财产
26th July 2014. People's Daily http://news.163.com/14/0726/05/A22CNRP90001124J.html

66 Smog linked to a third of deaths in China, study finds. Alice Yan. 22nd December 2016. South China Morning Post. http://www.scmp.com/news/china/society/article/2056553/smog-linked-third-deaths-china-more-deadly-smoking-study-finds

67 World Water Day: 10 facts you ought to know. Ma Tianjie. 22nd March 2013. Greenpeace. http://www.greenpeace.org/eastasia/news/blog/world-water-day-10-facts-you-ought-to-know/blog/44439/

A PEOPLE'S FORUM ON OBOR AND BRICS MEETS IN HONG KONG

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Robin Lee

Over the weekend (2nd-3rd September) more than 100 participants met in Hong Kong for a People's Forum on One Belt, One Road (OBOR) and BRICS. As BRICS leaders begin to meet for their 9th BRICS summit in Xiamen this week and the Hong Kong Trade Development Council prepares to host its second Belt and Road summit in Hong Kong aiming to attract investors and others in the business community next weekend, civil society members from eight countries and local Hong Kong people came together to share their experiences, offering a counter narrative to the neoliberal agendas usually promoted by the official summits that largely exclude these critical voices. Discussion at the forum showed how globalisation from above, as imposed by BRICS and OBOR, is being carried out at the expense of people and the environment.

Mung Siu Tat, the Chief Executive of the Hong Kong Confederation of Trade Unions (photo above), opened the forum speaking of the challenges and repression currently being faced by Hong Kong people in their struggles for democracy and against the government's top down development projects. Asking whether democratic rights would really solve all the problems affecting people's lives, he observed common problems faced by people around the world and how even in "democratic" countries, free trade agreements are often concluded through backdoor details without proper democratic consultation, and stressed the importance of international solidarity and the globalisation of struggle.

Patrick Bond, professor at the University of the Witwatersrand School of Governance, South Africa.

The current situation for the BRICS was first discussed by Patrick Bond, a professor in political economy at the University of the Witwatersrand, South Africa, who questioned whether the BRICS are in danger of spinning out of control. He pointed to how faced with rising geopolitical tensions as seen between India and China, increasing competition as China pushes ahead with OBOR, trends towards deglobalisation, overproduction, as well as financial vulnerabilities associated with spiralling debt problems which may lead to defaults by some countries, the ability of BRICS countries to work together is severely threatened. At the same time, as the BRICS continue to “talk left, but walk right” and look for a seat at the same table as the old imperialists at the expense of third world countries in their regions, it is important for civil society to forge more links and to keep up the pressure from below to counter their ‘sub-imperialist’ tendencies.

Dr. Hendro Sangkoyo, School of Democratic Economics, Indonesia.

The forum then addressed the topic of OBOR, China's more recently initiated overseas investment strategy. Hendro Sangkoyo from the School of Democratic Economics in Indonesia looked at the infrastructure regime in Asia under OBOR, while Au Loong-yu from the Borderless Movement in Hong Kong focused on the goals of OBOR for the Chinese Communist Party in the context of China's rise.

Locating OBOR as a project which does not represent something new but is a continuation of the logic within the capitalist system, Dr. Sangkoyo said that, "the rapidly expanding plethora of belts and roads is a daylight robbery of people's lifespace, a systemic onslaught on humanity and the biosphere" and illustrated how similar previous infrastructure investment projects have led to environmental destruction and the death of 'lifespace' in Indonesia.

Meanwhile Au Loong-yu disputed the CCP's claim that it is pursing "peaceful development" and noted how China's investments overseas have been carried out without proper assessments and monitoring from civil society, has often violated local laws and labour rights, whereas its involvement in Free Trade Agreements have helped contribute to a race to the bottom.

Activists from South Africa, Indonesia, Sri Lanka, Myanmar and India also spoke about the impacts of Chinese investments in their respective countries and regions. Bandile Mdlalose from the Community Justice Movement in Durban, for instance, drew attention to concerns about development around the port in Durban, which China is investing in, and the use of land for profit at the expense of housing for those living in informal settlements around the port. She expressed concerns that people would be left homeless as a result of this development. Myint Zaw from Myanmar discussed the situation concerning relations with China and Chinese investment under political transition. He also discussed negative feeling towards Chinese investment due to its top down nature and environmental cost and noted how investment by Chinese capital in the Myitsone Dam project had been halted following the backlash against it.

Comparisons between the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB), established by China in 2015 and considered a key source of finance for OBOR projects, were also drawn by Yamada Taro from ATTAC Japan.

The second day of the forum then focused on the impact of Chinese investment in Taiwan and Hong Kong. Amongst speakers, Dr. Huang Chien Chun, in discussing Chinese investment in Taiwan, drew attention to the role of resistance from below (such as expressed by the 2014 Sunflower Movement) that resulted from concerns about China using its investment to further its political agenda of reunification, in slowing the rate of this investment. Meanwhile speakers from the Liber Research Community discussed the importance of understanding Chinese capital and its impacts in Hong Kong as Hong Kong plays both the role of middleman in China's OBOR investments while also lacking its own development plans. Hong Kong has been increasingly integrated into the development plans for the Pearl River Delta and China's national development in spite of the needs of those living in Hong Kong. The Express Rail link, for instance, is not designed for the needs of people but is simply being constructed to fulfil Chinese government plans, while land is also being grabbed from residents and farmers for China's development projects.

Dr. Huang Chien Chun, National Chengchi University Graduate Institute of East Asia Studies

Many at the forum across the two days drew attention to the need for more bottom up grassroots organising locally as well as the need to build connections between movements internationally. According to Li Mei Siu, the Vice President of the Hong Kong Food and Environmental Hygiene Staff Rights Union, OBOR just replicates some of the negative impacts of earlier globalisation, only this time it is being driven by China. Indeed, with many facing similar struggles as a result of Chinese overseas investment and the neoliberal agendas of the BRICS, the forum showed the need for closer collaboration in the monitoring of these investments and actors by civil society globally and in giving support and solidarity to related struggles around the world.

The People's Forum on OBOR and BRICS was organized by seven Hong Kong organisations which included Asia Monitor Resource Centre, Hong Kong Confederation of Trade Unions, the Editorial Board of Borderless Movement, Globalization Monitor, the Justice and Peace Commission of the Hong Kong Catholic Diocese, the Labour Education and Service Network and the Labour Committee of the Neighbourhood and Workers' Service Centre.

GRASSROOTS DEMOCRACY UNDER GLOBALISATION

OPENING SPEECH AT THE ONE BELT, ONE ROAD AND BRICS FORUM.

Mung Siu-tat
(Executive Director of the Hong Kong Confederation of Trade Unions)
Translated by Robin Lee

This is a stormy time for Hong Kong. In August Hong Kong was already hit by two storms and then, as soon as September began, another typhoon started to approach. This meeting almost had to be cancelled. However the damage to Hong Kong caused by the typhoons is nothing compared to that of the great political storm. In August this year, 16 political dissidents were successively given prison sentences ranging from 6 to 13 months. Some of them were sentenced for fighting against the unfair urban development plans, while some of them were sentenced for struggling for equal political rights, but in the end they all suffered from the heavy political persecution.

Authoritarian governments use the law as a tool of repression. They even often make use of “national interests” or “national security” as justifications to unreasonably strip citizens of their rights and to strengthen social control. I believe this not only occurs with the absence of democracy in Hong Kong, but is also a common threat faced by many parts of the world. I remember how during the Umbrella Movement in 2014 myself and some other trade union friends travelled to South Korea for exchange with the Korean Confederation of Trade Unions (KCTU). On seeing the Umbrella Movement unfolding, some of them raised the question, “Do you really believe the democratic elections that you are fighting for will solve your problems?” They said that in South Korea more and more people are beginning to doubt the so-called “democratic system” and the collusion between politicians and consortia.

Democratic voices from the grassroots.

About a year later, I had the opportunity to go to the Philippines and visit members from local slum residents' organisations. They were fighting against the big consortia that had been plundering their land. Even an eighty year old grandmother had come out to defend their homes and was jailed by the police. I then thought of the question of the South Korean friends and turned to them to ask, "Do you still believe in democracy?" One member thought for a moment and then firmly answered, "Democracy is our right but we cannot have democracy simply by voting, we also need a strong grassroots organization force, otherwise politicians will ignore us."

This answer, coming from a slum dweller who was struggling to survive, has stayed deeply imprinted in my mind. In Hong Kong today, the arduous struggle for democracy continues, but the experience of these different countries reminds us that, while fighting for democracy, we cannot take it for granted that there is only one kind of democracy. What kind of democracy is required to give the people real power? What kind of democracy is needed to be in line with the principle of social justice? We must constantly reflect on these questions regardless of whether a democratic political system has been successfully introduced.

Capitalist globalization or fighting against globalization?

Many people might recall that at the end of 2005 Hong Kong held the "WTO Ministerial Meeting". In the same year, local civil society organisations formed the Hong Kong People's Alliance, which connected with more than one thousand representatives from NGOs in different countries who came to Hong Kong to participate in a large forum and demonstration. Looking back, this opposition to the WTO was a good learning experience for the Hong Kong social movements. We could see the shadow of the anti-WTO struggle, in the later protests to defend the Queen's Pier and in the bar benders' strike. Reflecting on this movement, we can see how it has stimulated the imaginations of many local trade unions and social movement groups over the need to fight. When we participate in international civil society forums, we not only exchange knowledge but we also exchange our struggle experiences. Through this we achieve the idea of "globalizing the struggles" that we have always advocated.

Twelve years have passed since the 2005 WTO Ministerial Meeting. In this period, on the surface, the WTO has become less active than it was before. However, the flow of global capital continues to expand rapidly through ever more bilateral and multilateral free trade agreements. This type of dispersed and diversified trade agreement means that it is even more difficult than it was in the past for global civil society to assemble all its forces from different countries together. With the rapid development of free trade agreements and the opening of markets without limitations, labour protection, trade union rights, environmental protection and other such regulations, which are often seen by capitalism as thorns, which should be quickly removed. This kind of race between countries to compete to please investors, results in global disparity between the rich and the poor as well as the worsening of working conditions.

Three fronts for building a left-wing alternative.

What is most worrying is how, incited by right-wing politicians, the continuous expansion of capitalist power has led to the scapegoating of immigrant and minority groups. Faced with the rise of right-wing political parties, and even their ascent to power, various types of xenophobia have been released around the world. Amidst this turmoil, we urgently need to build a clear left-wing alternative to challenge populist authoritarian governance.

This brings us to the question of tactics for the movement. Amongst the multiple options, in the future the following three will still be important:

1. Strengthen organizing from below through grassroots organizing. Regardless of whether it is at the level of the workplace, community or school, the unfair allocation of resources can be challenged through united action. These actions do not necessarily require vigorous mass mobilisation. But by drawing on participants' daily life experiences, the root causes of exploitation can be understood and ordinary people can see how organized actions can make a difference to their lives.

2. Promote and deepen grassroots education. For many grassroots people, free trade and investment agreements are just abstract terms that seem to have nothing to do with their daily lives. We need to begin by learning from ourselves so as to expose to the public how free trade and investment agreements sell out the public interest and how black-box work by bureaucrats and consortia (such as bypassing democratic votes and monitoring mechanisms) creates hardship for our lives.

3. Promote mutual understanding and cooperation among oppressed people from different places, remove mutual misunderstandings and replace it with cooperation. Develop links between civil society in capital-exporting and capital-importing countries (for instance when we need to impose sanctions on exploitation by transnational corporations in China) and between labour-exporting and labour-importing countries (for instance to guarantee the protection of migrant workers working in Hong Kong) so as to call into check cross-regional exploitation.

The above three approaches are not easy, but as long as we persevere and keep trying we can make progress. I sincerely hope that the reports and exchanges at this two-day seminar can help everyone to be inspired and to think about these three approaches.

ONE BELT, ONE ROAD: WILL CHINESE CAPITAL BUY-UP THE WORLD?

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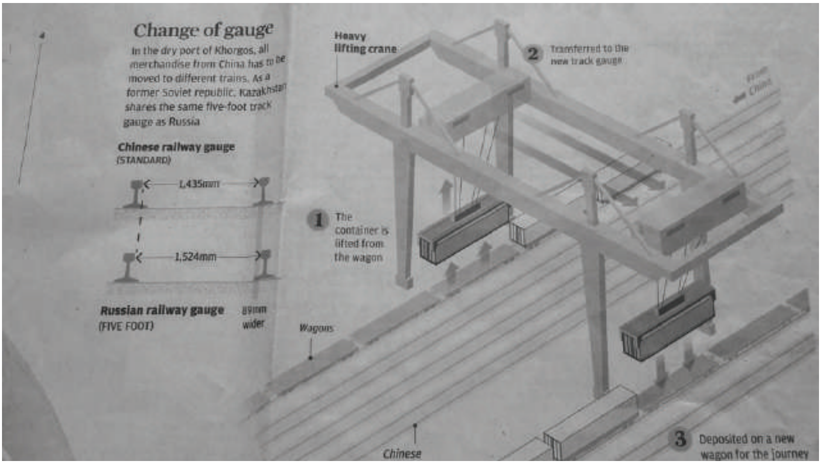
Au Loong-yu
(This article is the author's report from the One Belt, One Road and BRICS forum.)
Translated by Robin Lee



The China-Russia-Mongolia railway needs to solve the problem of different track widths in Russia and China. (SCMP: May 13th 2017).

The core project of One Belt, One Road (OBOR) is to build six economic corridors across Asia and Europe (please refer to the earlier section of this pamphlet). It also has five major goals, the so-called "five links": policy communication, facilities connectivity, unimpeded trade, financial integration and people to people bonds. The purpose of this article is to understand the nature of OBOR through an introduction of these "five links".

Policy Communication.

Many countries have their own long-term economic development plans. Kazakhstan, for example, has its Bright Road development plan, Mongolia its “Steppe Road” Program and Russia “Trans-Eurasian Superhighway”. Policy communication means matching up the development plans of different OBOR countries. But how successful this will be depends on geopolitics. If it involves a country that has a close relationship with China, such as Pakistan, then of course it is much easier. No wonder investment in the China-Pakistan economic corridor has been most successful. China has also been quite successful in Bangladesh and Myanmar. However, Sino-Indian relations have remained tense and so success for the Bangladesh-China-India-Myanmar economic corridor is less likely..

On the surface, relations between China and Russia are comparatively bright, however there are a lot of undercurrents. Russia itself has the Eurasian Economic Union, an international organisation formed to deepen political and economic integration among five countries of the former Soviet Union: Russia, Belarus, Kazakhstan, Kyrgyzstan and Armenia. It might be difficult for Russia to accept the integration of China and Russia’s Eurasian policies. OBOR will cause suspicion and frictions in countries along the route and China’s ambitions will be threatening to these countries. This therefore will not contribute to regional development, but will firstly cause infighting amongst these countries. Chinese enterprises have often had a lot of problems investing overseas. As one Chinese scholar has said, “Chinese enterprises in Russia and Mongolia are faced with the problems of disorderly competition and illegal operations that seriously undermine their image and have negative impacts on bilateral cooperation”[1].

1 Yidaiyilu jianshe fazhan baogao 2016 (One Belt, One Road Construction Development Report 2016). Peace Book. P71.

According to a South China Morning Post report, a railway is going to be built in Mongolia along the China-Russia-Mongolia economic corridor. But since China and Russia have different railroad widths, according to which standards will it be built? Russia-Mongolia relations are deeper than Sino-Mongolia relations and half of the equity of the Mongolian railway is in Russia's hands. If Mongolia uses China's railroad widths then, if China and Russia fight a war, Chinese soldiers would be able to quickly pass through Mongolia to Russia. Therefore Russia will not approve the Chinese railroad widths. However if the Russian railroad widths are used then it would be necessary to change the Chinese carriages at the border and this would increase costs and cause delays. Is it really worth it?

Therefore, although there is room for cooperation between China and Russia, there are also many areas where coordination is lacking and so the project faces more difficulties than Chinese officials would like to admit. As for China and India, neither side trusts the other. After the launch of OBOR, India initiated its Monsoon Plan in order to counter it. From this we can see the infighting between China and India.

Facilities Connectivity

To facilitate connections between different countries, infrastructure is needed. Facilities connectivity therefore means large-scale infrastructure such as railways, highways and airports. These three kinds of construction in mainland China have already flooded the whole country and greatly saturated it. OBOR is undoubtedly a good way to export the surplus capital.

At present, China has established direct air flights with 43 countries and has signed 130 road, rail maritime and transport agreements. A number of international highways and railroads are currently under construction:

- The China-Vietnam Highway
- The China-Myanmar Highway
- The Yunnan-Laos-Thailand Highway
- The China-Thailand Railway
- The China-Laos Railway

Due to their comparatively backward economies, infrastructure is undoubtedly very important in Central and Southeast Asian countries. It is very difficult for these countries to rely entirely on private capital for infrastructure. As poor countries lack capital but have a basic need for infrastructure over the long term, governments often need to borrow foreign money. However, government run infrastructure development always carries with it the risk of corruption. However a clean government is a very rare animal and in China this is also the case. Many Asian and Central Asian countries are far from honest and clean and therefore we have reason to suspect that many of these infrastructure projects may turn into white elephant projects in the future or will benefit government officials and business more than people.

According to minimum international standards, large-scale construction needs to undergo environmental impact assessments and socio-economic impact assessments. The problem is how can we find these assessments reassuring when they are carried out by corrupt governments? Since governments often keep sensitive data secret, it is very difficult for civil society to study the data and for people to hold them accountable. Large projects inevitably sacrifice local residents and the environment and there are often forced evictions and labour exploitation. Therefore large scale construction is does not necessarily mean more advantages than disadvantages. Moreover infrastructure is often constructed in the interests of government officials and big corporations while the general public pays the price. The expansion of South Africa's Durban port which is financed by the China Development Bank, for instance, may lead to land acquisitions and evictions. This is against a background where Durban port has a lot of oil storage bins and tubing. However the underground leaks have caused many residents to develop cancer. China now plans to invest in the expansion of Durban port. Due to previous negative experiences, local residents are concerned about this plan.

Unimpeded Trade

The Chinese Communist Party's "Vision and Action Plan for the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road" explains unimpeded trade as follows:

"Reducing non-tariff barriers, working together to improve technical trade transparency measures, improving trade liberalisation facilitation, accelerating investment facilitation and eliminating investment barriers, strengthening bilateral investment protection agreements to avoid double taxation agreement negotiations and protecting the legitimate rights and interests of investors."

Although both "liberalisation" and "facilitation" are nice words to hear, the specific content is very problematic. This could be a win-win situation if it involved free trade between small farmers. However if it involves completely free trade between multinational corporations and small farmers, then it is just a case of allowing freedom for the big fish to eat the small fish and for the rich to plunder the freedom of the general public. Only 10% of the price of a jar of coffee sold at the supermarket goes into the pockets of the farmers; the rest goes into the pockets of the processors, exporters, retailers and advertisers.

OBOR has been called Globalisation 2.0. This makes sense. One of the main policies of globalisation is for government officials and business to push “free trade”. Trade and investment barriers are seen as the opposite of free trade. Of course barriers are not good and need to be dispensed with. But what does the word “barriers” mean here? One tycoon explains very clearly, “I would define globalization as the freedom for my group of companies to invest where it wants when it wants, to produce what it wants, to buy and sell where it wants, and support the fewest restrictions possible coming from labour laws and social conventions.”[2] It turns out that trade barriers refer to labour laws and social conventions! Protections for these workers must be cast aside! From this it can be seen how so-called globalisation or free trade is not neutral at all. Rather it is very clearly about robbing the poor for the rich.

It needs to be pointed out that classical free trade has a very narrow scope and only involves trade in commodities. It does not include investment. Over the years, however, the major US and European powers have expanded the meaning of free trade. Under the so-called heading of “trade in services” they have crammed in “cross-border investment” so as to facilitate the rich/big countries’ exploitation of the poor/small countries. What is new is that now China has joined this game and as such acts as part of the global engine in the race to the bottom in terms of labour and environmental protection.

The table below shows the differences between several countries along OBOR. China and Russia are six to fourteen times better off than the poorest countries such as Tajikistan. Under such a system of “cross-border investment freedom”, they certainly have advantages while the poorer countries are disadvantaged and more easily exploited.

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2 These are the words of ABB industrial group Chairperson Perry Barnevik. From: Welcome to the Revolution Universalizing Resistance for Social Justice and Democracy in Perilous Times, Charles Derber, Taylor & Francis, p. 34

Table 1:
Comparison of national economic indicators along the OBOR.

Country	Gross National Product (100 million USD)	GDP per capita (USD)
Tajikistan	85.08	1044
Kyrgyzstan	72026	1280
India	18800	1504
Uzbekistan	5670.96	1867
Mongolia	115	3971
China	92400	6747
Russia	21000	14818

Financial Integration

“”Financial integration” means financing projects along One Belt, One Road. The Chinese Communist Party (CCP) has already established the Silk Road Fund, the Asian Infrastructure Investment Bank (AIIB), the BRICS’ New Development Bank (China accounts for 40% of funding), which will all finance these projects. Some estimate that over the next 25 years total investment in One Belt, One Road will reach 160 trillion Yuan (equivalent to about 23 trillion USD)”.[3]

However if financing was calculated in US dollars, the CCP would not be willing and it is therefore calculated in RMB. For this reason “financial integration” also includes promotion of the

3 Cong shijie gongchang dao shijie gongchengsh (From World Factory to World Engineer), Li Haoran and Yuan Xiaohang.. Joint Publishing, p.38.

internationalization of the RMB so as to try to replace the US dollar. This is the second aim of the CCP.

A country's exports are divided into commodity exports, capital exports and labour exports. Until ten years ago, China was mainly a commodity exporter and for this reason became known as a sweatshop. After accumulating a lot of capital, it has now begun to export capital on a large-scale: investing in factories abroad, investing in foreign government bonds and lending to foreign governments. As the interest on loans from China is not low, this greatly increases the debt crisis facing developing countries. Since the 1970s, there have constantly been developing countries that have been unable to repay money that they have borrowed. Today the CCP, just like the developed countries in Europe, the United States and Japan, practices economic colonialism towards poor countries. China's provision of interest-free loans to Pakistan's Gwadar Port is only due to China's targeting of this port for other political and military purposes. For other projects, the host governments have to apply for interest-bearing loans from the Chinese government. Sri Lanka borrowed money from the CCP for the development of its Hambantota Port but recently due to it being unable to afford to repay the loan, it was forced into a debt swap and ownership of the port fell into the hands of China.

China's large investments in OBOR have also increased its own debt crisis. Huang Yiping, Vice-president of Peking University's National School of Development once said that, "Although China is the world's third largest direct investor, more than half of its foreign investments do not make any money"[4]. Amongst those not making money, there are of course also those which make losses and thereby increase debts. Today China is already piling up public

4 Yidaiyilu wuxian riben haiwai touzi kunjing ("One Belt, One Road" must not be trapped in the same Japanese overseas investment dilemma),Huang Yiping. "Understanding One Belt, One Road" 2017. Zhonghua Book Company. p.353.

and private domestic debt amounting to 250% of GDP. OBOR will undoubtedly increase China's debt risk. Again, from China's own experience we can see how this debt crisis may develop. China has previously had many unfinished development plans and many of these have turned into bad debt, for instance China's Western Development and the South-North Water Transfer Project. These failed projects have also damaged hydrologic processes and rivers, in addition to having caused massive pollution. Therefore Huang Yiping has said, "Do not allow One Belt, One Road to become an international version of China's Western Development project. After 20 years, apart from some individual areas, the Western region's economy has not significantly improved [despite the launching of this project – Au].[5]" However in the absence of democratic supervision, can the CCP really avoid repeating the same mistakes?

People to people bonds.

According to the official media, "people to people bonds" means the "humanistic basis" of OBOR, and it specifically refers to mutual recognition of academic qualifications, construction of Confucius Institutes, development of tourism and cultural exchange. One of the aims is to engage in international public relations and to spread the CCP's authoritarian model around the world. This is becoming more and more important, since the more the CCP becomes a powerful world investor, the more it needs to intervene in the affairs of other countries, of course with media and cultural undertakings acting as a main channel. Another aim is to make profits. The official media has happily stated that, "China and 24 OBOR countries have already mutually recognized each others' academic qualifications and engaged in a series of colourful cultural exchange activities such as Cultural Years, Tourism Years, Arts Festivals and Film Festivals etc.,". It has then pointed to another bright point: money. The article

5 Ibid p354.

goes on to say that the National Tourism Administration expects that during the thirteenth Five Year Plan 150 million Chinese tourists will travel to OBOR countries and spend 200 billion USD on tourism[6]. Imagine how much the mainland tourism industry (especially the biggest companies which are always bureaucratic capital) will make from this.

Conclusion

Civil society voices have not been heard at all in this major Asia-Africa-European plan of OBOR. This is because officials themselves know that the plan itself is full of a lot of flaws. Firstly, in terms of international relations, although the CCP emphasizes that OBOR is in line with “peaceful development” and “mutual benefits”, in fact OBOR primarily intensifies geopolitical conflicts. When the CCP implemented the CPEC, Pakistan’s government announced the establishment of the CPEC Special Security Forces (SSD), consisting of nine army battalions and 6 militia forces, with a total of 13,700 troops, specifically responsible for CPEC projects and Chinese personnel[7]. This is by no means a coincidence. These countries on the one hand face unstabvvle domestic situations, while on the other hand face a lot of tension with neighbouring countries meaning that in such areas engaging in cross-border construction can easily lead to conflict.

From a domestic relations perspective, the CCP has actively promoted OBOR since it has already become an opportunity for bureaucrats at all levels to enrich themselves, just as with the Western Development project. Zhao Lei, a professor at the Institute of International Strategy of the Central Party Schoolwho seems to be

6 ‘Wutong’ zhengshi chengwei ‘yidaiyilu’ jianshe de qiangda zhutuiqi (The “five links” are providing a powerful boost to One Belt, One Road). http://hk.crntt.com/doc/1046/7/0/5/104670559.html?coluid=7&kindid=0&docid=104670559

7 Yidaiyilu changyi zai nanya: Jinzhan, tiaozhan ji fangxiang (One Belt, One Road in South Asia: Progress, Challenges and Directions), Lan Jianxue. http://www.ciis.org.cn/chinese/2017-07/03/content_9551000.htm

more honest, issued the following warning:

"One Belt, One Road has become like a big cake and everybody is very busy fighting for a piece. Many people are making mistakes and continuously causing infection…if these mistakes are not corrected, then this will inevitably lead to the predicament where everyone first rushes to rob everything and then when nothing is left to rob the crowd simply loudly exclaims 'disperse!'"[8].

The CCP will not fully succeed with its OBOR initiative. Half of the agreements signed between China and Kazakhstan have not been implemented for instance. The half which have been implemented have mostly involved large consortia, military enterprises and nuclear power plans. Of course, even only implementing half of the plans is still an achievement for the CCP. However from the perspective of people and the environment, some of these achievements are also simultaneously a disaster.

8 Zhao Lei. "Understanding One belt, One Road." p355.

CHINESE INVESTMENTS IN SRI LANKA

Chaminda Perera,
General Secretary, Ceylon Workers' Red Flag Union

The Country

Sri Lanka is located in South Asia off the southern coast of India, on the main East-West Indian Ocean shipping lanes. Sri Lanka, according to the World Bank, is a lower middle income country with a total population of 21million. The population represents several ethnic and religious groups. The country faced a civil war at least for three decades. For the last seventy years, time to time, Sri Lanka was ruled by two Capitalist political parties. The economy of the country was severely affected by the civil war, international economic crisis, and the corruptions of the parties ruled the governments.

The Economic System

The economic system that exists in Sri Lanka is a mixed economic system.This type of system consists of features of both capitalist free market economy, which is dominant in Sri Lanka, and state owned public enterprise system. The government's influence over the economy is driven through fiscal and monetary policies incorporated in annual budgets. For many years the government has been playing an important role in social welfare in education and health. Sri Lanka's literacy and life expectancy are the highest among SAARC countries.

The structure of the Sri Lankan economy consists of three sectors namely Agriculture, Industries and Services. According to the statistics published by the Central bank in 2016 the agriculture sector contributed 7.5 percent to GDP, the industry 27.1 percent and the services 57 percent.

It should be mentioned here that Sri Lanka follows neoliberal economic policy since 1977. The present government sticks much more with neoliberal policy.

Statistics

According to the statistics published in the year of 2016 the population is 21.3 and the annual growth rate of the population is 1.1%.The GDP (per capita) is 3811 US dollars in 2016 while it was 3813 in 2015. The GDP (Gross Domestic Production) is reported as 81 USD billion. The trade balance is reported as -9.1 USD billion while the DEBT of the state is reported 79.1% of the GDP. The department of Census and Statistics has reported the labour force as 8292870 in 2016, while the unemployment rate they have reported is 4.4, a figure which no one takes seriously. The country has severe under- employment.

Description	2016/ Rate	2015/ Rate
Population(mn)	21.3	21.1
GDP(per capita) USD	3811	3813
GDP (USD bn)	81	80.5
GDP growth rate	4.4	
Trade Balance (USD bn)	-9.1	-8.4
Debt (% of GDP)	79.1	77.6
Labour force	8292870	
Unemployment	4.4	4.7

The necessity of foreign Investments

There has been a chronic gap between imports and exports. The trade balance and balance of payments has been highly negative which has compelled Sri Lanka to obtain a 36 month Extended Fund Facility from the IMF as a bailout loan. The external debt has risen to an all-time high where annual repayments are close upon 90% of government revenue. From 2010 debt to Chinese organizations has been rising enormously.

The domestic savings is about 22 percent of the GDP. There is a strong relationship between the need for foreign investment and economic growth. Larger inflows of foreign investments are needed for the country to achieve a sustainable high trajectory of economic growth.

To maintain a 7 percent economic growth rate a year there is a need to invest around 35 to 40 percent of GDP. National savings fall far short of this by nearly 10 per cent. Therefore the foreign borrowings and foreign investments have to meet this investment-savings gap. The Sri Lankan record of foreign investment has been far below expected levels and low in comparison with many other Asian countries.

Foreign investment comes in several forms. Portfolio investment, foreign loans and foreign direct investment are the three important types. Of these foreign direct investments in industry and services are the most useful. Foreign loans are generally used for investment in infrastructure. This is important as a serious bottleneck for domestic as well as foreign investment is the poor state of infrastructure. However the development of infrastructure alone would not suffice. Increase in industrial production for export has come up as the urgent necessity.

The significance of private FDI is that such investments are debt free and bring with it the transfer of advanced technology, management practices and assured markets.

Current non-availability of Capital from West

Due to the impact of the global economic crises which began as financial crises in 2008, the developed countries have still failed to recover their economies from the severe damage. In the West the situation is the same. USA has to borrow from China. According to the figures released by the US treasury China owned an estimated $1.268 trillion in US treasuries. Under this kind of scenario it is difficult to expect foreign investments from the West. The present bourgeois coalition government does much to attract FDI from the West. But they have failed to attract investments from the West as much as they expected. The latest in this connection is the setup of an inter-ministerial subcommittee, with the participation of the Employers' Federation of Ceylon, following the advice of USAID to reform country's labour law to attract FDI from the West. A new activation of neo-liberal agenda has surfaced. The militant trade unions are gathering today to meet this new challenge.

China – Sri Lanka Relations

Sri Lanka has had very close relations with the People's Republic of China since 1956. Sri Lanka is one of the countries in the fore front supporting the due recognition of China.

Since 1976 China started on a new path of development under the leadership of the revered leader Deng Xiaoping. China has become the world's second biggest economy since 2010. It has reported, the Chinese economy has acquired a 6.9 percent growth rate in the second quarter of 2017 through their new economic strategies. Through the positive consequences of Chinese revolution for freedom, and the international experiences gained, China has built its national economy to present hights.

According to the Heritage Foundation's China Global Investment Tracker, from 2005 to 2015 China has spent US$ 870.4 billion in worldwide investments and contracts. China has been a forthcoming and non-interfering alternative to funding from international financial institutions and Western donors. Through the Asian Infrastructure Investment Bank (AIIB) the government of China is playing a greater role in the building of infrastructure mainly in the region of Asia-Pacific. The role of the China is in the BRICS, Shanghi Corporation Inter- Bank and the ASEAN Inter-Bank is also crucial.

Sri Lanka is concerned, western countries distanced themselves from Sri Lanka post 2009 based on war crimes allegations. During the tenure of former president Mhinda Rajapakse’s government moved closer to China.

Unlike the multilateral institutions like World Bank, IMF and western countries, which impose conditions based on human rights, democracy, and good governance, when extending development loans, China does not interfere in the internal affairs and sovereignty of investment recipient countries.

Chinese Investments in Sri Lanka

According to the Heritage Foundation's China Global Investment Tracker, for the period of last ten years US$ 8.9 billion, out of US$ 870.4 billion invest in worldwide, has been invested in Sri Lanka. In contrast, according to the International Finance Corporation (IFC), which is part of the World Bank, has made cumulative investments worth US$ 596 million in Sri Lanka. As the Large being donor since 2009, China extended US$ 1.2 billion worth of assistance in the form of grants, loans and credit amounting to 54 percent of the total US$ 2.2 billion committed by foreign countries and multilateral agencies. It has been reported that Sri Lanka has been provided US$ 5 billion in aid over the last decade.

Sectors of Investment

In terms of sectors, invest directly by the government of China is mainly on the development on infrastructure such as ports, airports, highways, roads, and energy. Private investment, under the approval and the guarantee of the government China, can mainly recognize as three categories. They are Construction (building constructions), Technology (Huawei & ZTE Corporation) and Services (tourism, catering, food).

Mega Projects

Hambanthota Magampura Port (Sothern Port) is one of the mega projects financed by the government of China. It was a miracle of former president Mahinda Rajapaksha. It was almost US$ 4 billion investment. Now at the request of Sri Lanka a Chinese company has come forward to further invest in the Hambanthota Port to develop it rather than let it squander its immense potential while generations of Sri Lankans are burdened with debts on a non-performing port.

The Port City in Colombo is another mega project of US$ 1.4 billion. The Port City project commenced in 2014 under Rajapakse government to reclaim 213 hectare of land from the sea. The budget is estimated to be US$1.5 billion. The target of the project is to create an international Financial Centre.

The Lotus Tower (Colombo Lotus Tower), Norochcholai Coal Power Plant, Moragahakanda Project, Sothern Expressway and the Colombo- Katunayake Expressway are the other landmark mega projects China has been involved in.

One Belt One Road

It is clear that China's launch of One Belt One Road (OBOR) had encouraged them to invest in the Hambanthota port and the Mattala Airport nearby at the Southern most coast of SRI Lanka as well as the Southern express highway as part of their vision of a marine silk route.

In May this year Prime Minister of Sri Lanka Ranil Wickremesinghe visited China to attend China's high- profile Belt and Road summit. The Belt and Road Forum had been organized by China to showcase its multi-billion dollar Silk Road initiative.

Expansion of economic relations with China by the present government was launched as far back as In March last year Malik Samarawickrama, Minister of Development Strategies and International Trade had a series of productive meetings during his visit to Beijing, where briefing on a pipeline of new Chinese FDI projects, including the Economic Zone, ship repair project and airport development in Hambantota. New infrastructure projects discussed included the extension of the Southern Highway, Kandy and Ratnapura Expressways and portable and waste water projects.

Apart from the Chinese investments they have provided Sri Lanka US$ 5 billion as aid over the last decade. Some of China's lavish gifts include the BMICH, the Superior Courts Complex and recently the Lotus Pond (Nelum Pokuna) Performing Arts Theater.

With reference to the 9th BRICS Summit to be held in Sept in China's Xiamen city at the same time as this conference let me say that although Sri Lanka is not a member of BRICS she is a member of the Asian Infrastructure Investment Bank (AIIB) since 2014. The vision for future of the BRICS mechanism to expand international cooperation, including with emerging markets and developing countries to forge a platform for South-South cooperation with international influence is almost identical with that of AIIB.

Employment Opportunities and arising problems

Chinese investments over the last six years provided considerable employment in infrastructure projects mainly through local contractors. However the local contractors employing contract labour violate labour laws of the country. It has been reported that Indian labour has also is being used illegally. Chinese personal attached to projects are mainly of technical and supervisory grades. China has not invested in industrial production so far. The request of the Government inviting them to do so has not materialized yet. This is important to the country to provide well-paid jobs and reduce the largely negative gap in the balance of trade between the two countries.

Environmental problems

Many environmental issues had been raised relating to the Port City project. During the last two years these have been resolved according to the government. But people keep rising issues that affect them in secondary spills. New issues also arise in the construction of high way which appears in media time and again.

Criticisms

Many local citizens feel the country is being sold to the Chinese. There were many protests against signing of new agreement of leasing the Hambanthota port to China for 99 years and also protests against Colombo port city project organized by Fishermen. Another major criticism is that China Communications Construction Company (CCCC) and its all subsidiaries were blacklisted by the World Bank for corrupt practices.

THE FUNDERS OF CEMENT INDUSTRY IN INDONESIA

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Fahmi Panimbang

The world cement production has grown rapidly from 1.67 billion tons in 2000 to 3 billion tons in 2010. Asian economies are the main producers of the cement, making 77.1 percent of the total world cement production in 2010, where China produces more than half of it (see table 1). Southeast Asian economies including Indonesia, Vietnam and Thailand are competing to become the key players in the global cement production.

Table 1. World cement production by region (%)

	2003: (1.94 bT)	2004: (2.11 bT)	2005: (2.27 bT)	2006: (2.54 bT)	2007: (2.77 bT)	2008: (2.83 bT)	2009: (3 bT)	2010: (3.3 bT)
Asia	67.0	67.6	68.1	69.4	70.1	71.2	75.6	77.1
Oceania	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.3
Europe	14.4	14.0	13.5	13.1	12.1	11.3	9	8
Commonwealth of Independent States (CIS)*	2.8	3.2	3.3	3.4	3.4	3.2	2.5	2.5
Americas	11.3	10.5	10.6	9.7	9.6	9.1	7.9	7.3
Africa	4.1	4.1	4.0	4.0	4.4	4.7	5.6	4.8

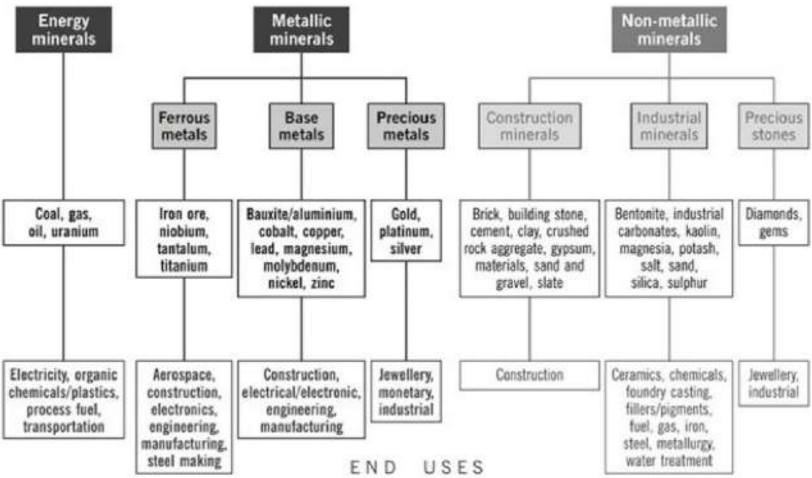
Note: * Former Soviet Republics.
Source: Cembureau Activity Reports 2003–2010.

Since When Did Cement become a Commodity?

Cement is classified as one of the extractive industries (see figure 1). The basis of the extractive industry is a notion of 'natural resources'. In fact, natural resources are not 'naturally' resources as it is both a socio-cultural and a political construction. The industry has been a political project that involved aggressive intervention of corporations and national governments, where they imposed vast range of regulations that serve their interest. Cement was 'found' and exploited as a commodity by the business, while the state facilitates to explore, develop, extract, process, distribute, and use it for different purposes.

As we all know, cement producers are the hole-makers in the ground. There have been massive environmental destructions, coercive displacement and dispossession of the indigenous people from their habitat due to the operation of extractive industries such as cement. Many of these people have lost their lands, livelihood, and even their lives. Their habitat has been extinguished where their lives rely heavily on it. And there are more people who are in the verge of being displaced and dispossessed due to the industry's aggressive exploitation.

Figure 1: Cement among Other Extractive Industries



Source: Classification of Extractive Industries – UNCTAD (2007) World Investment Report 2007: Transnational Corporations, Extractive Industries and Development. New York: United Nations.

Financialization in the Cement Industry

In Indonesia, PT Semen Indonesia acquired a Vietnam's cement company Thang Long Cement Company Vietnam in late 2012 by holding 70 percent of the company's share. This acquisition has turned PT Semen Indonesia into the first Indonesia's state own enterprise with a multinational corporation status (sic!). The acquisition was funded by financial capital: the Sumitomo Mitsui Banking Corporation, Standard Chartered Bank, and Indonesia's Mandiri Bank, amounting US$ 100 million. Although the three banking corporations established a consortium to run the business, we all know the fund came from Sumitomo Mitsui Banking Corporation and Standard Chartered Bank. Consequently, they are the most dominant parties dictating how the profit shall be made. They are the funders, but also undertaking the financialization of the industry.

Financialization is a term used to describe changes in the relationship between financial and real sectors, where the role of actors and financial institutions in the economic activity becomes more dominant. The term financialization is also used to explain shareholders' behaviours which are increasingly dictating companies at the lower levels for profiteering. But beyond that, shareholders are actually controlled by the global financial corporations, such as the ones in the cement industry that include Standard Chartered Group (UK) and Sumitomo Trust and Banking Company Ltd. (Japan).

This phenomenon promotes the movement of global capital faster with a serious impact on the flexibilization to expand the capital movement. The cases of environmental destruction, land-grabbing, low wages, workers dismissal, casualisation, and union busting, are indirect impacts of this financialization, as the financial investors are, in fact, the real employers who tend to invest for a short-period of time to gain higher profits. The shareholders, the real employers, request for a profit or dividend in the amount set from the companies managing their investment. As the result, companies increasingly demand to focus on their short-term goals by reducing their production costs, violating human rights, and destroying the environment. It is not surprising that the state facilitates it.

Capital Expansion

Just a year after the expansion in 2012, as the PT Semen Indonesia received an enormous investment from Sumitomo Mitsui Banking Corporation, Standard Chartered Bank, and Mandiri Bank, the company recorded a profit increase of IDR 5.4 trillion in 2013. PT Semen Indonesia is competing with at least 10 other cement foreign firms operating in different areas in Indonesia, including Java, Kalimantan, West Papua, and Sulawesi. They are the following:

1. Siam Cement (Thailand) in Sukabumi, West Java
2. Semen Merah Putih (Wilmar Group) in Banten and West Java
3. Anhui Conch Cement (China) in South Kalimantan, East Kalimantan, West Kalimantan, and West Papua
4. Ultratech in Wonogiri, Central Java
5. Semen Puger in East Java
6. Semen Barru in South Sulawesi
7. Semen Panasia in South Sulawesi
8. Jui Shin Indonesia (China) in West Java
9. Semen Gombong in Central Java
10. Semen Grobogan in Central Java

Corporations of extractive industry, either owned by the state or by foreign corporations, are equally destructive. The operation of cement plants has caused environmental destruction. The socio-ecological destruction will continue in different locations in Indonesia, also in Vietnam where PT Semen Indonesia is operated. As it involves drilling and destroying hills or mountains, making the hole in the ground, heating the raw materials up to 1200-1600 degree Celsius to produce cement, this industry destroys the environment and produces harmful emissions causing climate change. Moreover, the process of production of cement requires other non-environmentally-friendly materials, including coal, oil, and petrochemicals coal. The impact of cement factory operation is obviously devastating. What we need is to sustain the natural system for future generations.

Fahmi Panimbang,
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CONCLUSION

This pamphlet has attempted to introduce two issues which are relevant to the expansion of China's influence overseas, namely the BRICS platform as well as China's more recently launched One Belt, One Road (OBOR) initiative. The past history of the BRICS along with an initial assessment of the prospects for OBOR call into serious doubt the idea that China's continued expansion internationally will pose a beneficial alternative to the crisis ridden neoliberal world order from the perspective of ordinary people. While the BRICS offer little as means for abating global social and environmental injustice, the negative impacts of overseas investments by China and Chinese multinationals more specifically have increasingly been observed as the rate and quantity of their investments have grown. This has included significant environmental pollution and destruction of natural habitats, the displacement of thousands of people as well as violations of various labour and human rights. Moreover, the lack of commitment to carrying out adequate Environmental Impact Assessments and to ensuring transparency and democratic accountability over the investments made in relation to OBOR only go to further suggest that any rhetoric by the Chinese government concerning mutual benefits and sustainable development in its promotion of globalisation are highly questionable. If OBOR infrastructure and development projects are continued to be pushed ahead as comprehensively as the Chinese government would like (the viability of implementing aspects of this project can be questioned however) and if the implementation of aspects of the initiative are not met with resistance, then future overseas investment by China threatens to impact on the lives of millions of people around the world in potentially harmful ways.

Although Hong Kong is a developed city and a financial centre for OBOR projects, and most of the negative impacts of these projects will occur outside of Hong Kong, this does not mean that if we act in solidarity with international working people it is only because we are sympathising with the victims. If the OBOR project is not brought into check by pressure from below then the authoritarian regime in Beijing, and its neo-liberal agenda, will grow even stronger. This may therefore not only further threaten the autonomy of Hong Kong but also its resources, from the land to the sea, as they fall victim to Beijing's neo-liberal agenda and its mega projects.

Overall, what the preliminary material presented here suggests is that there are many important reasons for civil society organisations to work together to closely monitor the impacts of the expansion of China's overseas investments with the aim of exposing, challenging and supporting resistance related to its investment projects where injustices to people and the environment are occurring or likely to occur as a result.