The Belt and Road Initiative and China–US strategic competition

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Abstract

Considered a counterbalance to China’s Belt and Road Initiative, the G7 countries recently launched the Build Back Better World (B3W) initiative, as an alternative channel for aiding lower income countries with infrastructure development. To better understand the strategic competition between Washington and Beijing, this essay analyzes how the Belt and Road Initiative influences China–US competition, especially in the Indo-Pacific region and in the field of digital economy. It also focuses on the B3W initiative, providing a preliminary analysis of the Biden administration’s use of B3W to compete with the Belt and Road Initiative. Through an in-depth investigation of interactions between Washington and Beijing over the Belt and Road Initiative, this essay also helps reveal the nuanced dynamics and characteristics of US–China strategic competition in the context of the digital era. Finally, it argues that international development should not be a zero-sum game in which developing countries facing urgent infrastructure and growth concerns must choose between China and the US.

Keywords US–China strategic competition · Belt and Road Initiative · Build Back Better World · International development

1 Introduction

In June 2021, the G7 countries, leveraging the support of the Biden administration, launched the Build Back Better World, or B3W initiative, an attempt by the US and its allies to counterbalance the China-proposed Belt and Road Initiative.

US President Joe Biden has emphasized that the US is engaged in “long-term strategic competition” with China, which he characterized as “extreme competition.” Undoubtedly, the B3W initiative is a crucial strategic step by the Biden administration in its competition with China. With the continuous advancement of Belt and

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Road construction projects, the US has become increasingly worried that China will challenge and undermine US interests worldwide. The Belt and Road Initiative, part of China's grand strategy, is an important factor that propels the US perception of China as being a "growing threat" (Blumenthal 2018; Rolland 2017).

This essay analyzes how the Belt and Road Initiative influences US competitive strategy toward China and explores China–US competition surrounding the Belt and Road Initiative, especially in the Indo-Pacific region and in the field of digital economy. Finally, it focuses on the B3W initiative and provides a preliminary analysis of how the Biden administration uses it to counterbalance the Belt and Road Initiative. A deeper review of the interactions between Washington and Beijing over the Belt and Road Initiative offers an important window into the dynamics and characteristics of China–US strategic competition.

2 The Belt and Road Initiative and US competitive strategy towards China

The past few years saw the administration of former US President Donald Trump promote fundamental shifts in the way the US approaches its China strategy. This recalibration was oriented toward competition between the two great powers and suggested the coming of a new cold war (Wu 2020). The Biden administration that assumed power in January 2021 has continued to view China–US relations from the perspective and within the framework of great power competition. David Dollar, senior fellow in the John L. Thornton China Center at the Brookings Institution, wrote before Biden's 100th day in office that the Biden administration had largely continued with Trump's approach to China (Dollar 2021). The China–US relationship is undergoing a "paradigm shift" characterized by "great power competition," and the Belt and Road will be a focus of China–US strategic competition for the foreseeable future.

Compared with previous administrations since Richard Nixon, the biggest change of the Trump administration was regarding China as the "primary strategic challenge" to US national security, surpassing Russia. The China strategy based on "engagement and hedging" that had lasted for several decades transformed into a competitive strategy, which was marked by the release of the Trump administration's first National Security Strategy (NSS) in December 2017. The NSS asserted that the US is facing a new era of "great power competition" and defined China as a "revisionist power" and "strategic competitor" (The White House 2017). China was mentioned over 30 times in the report. To a large extent, the report was aimed at dealing with the "China threat." Just as Thomas Fingar said, in the past few decades, China had been regarded as an ordinary country by US policymakers, which might not have even ranked within the top 10 national security concerns, whereas now, dealing with the "China challenge" occupies a central position on the US national security policy agenda (Fingar 2019).

Besides a "primary challenge," China is also regarded by US policymakers as an all-round global strategic competitor. It should be noted that the US perception of the "China threat" is multifaceted, spanning the areas of economy, technology,

security, diplomacy, ideology, and so on. These areas are interlinked with and influence each other. In particular, as the US worries that China is promoting a “political rise” after realizing its “economic rise,” some US politicians and experts have claimed that China’s so-called “sharp power” or “influence operations” constitute a major threat to the political system and values of democratic countries including the US (Cardenal et al. 2017). Christopher Wray, director of the US Federal Bureau of Investigation, said China poses a “whole-of-society” threat to the US.

Belt and Road Initiative has become an important factor that influences the US in redefining the “China threat.” When the Chinese government unveiled the Belt and Road Initiative in 2013, the US did not respond strongly to it. Although Washington refused to join the China-proposed Asian Infrastructure Investment Bank (AIIB), senior officials of the Obama administration seldom talked publicly about or explicitly criticized the Belt and Road plan. Belt and Road construction has progressed significantly over the past few years and has gained extensive support from the international community. It has gradually become an important pillar for China’s national development strategy and foreign policies. With the continuous advancement of Belt and Road construction, Washington has come to regard the initiative as an integral part of China’s grand strategy, and is increasingly worried that China will challenge and undermine US interests worldwide. The Belt and Road Initiative has become an important driving force for the “threat inflation” phenomenon when it comes to the US perception of China.

Trump administration officials adopted a very negative attitude toward the Belt and Road Initiative. They slandered and smeared the initiative publicly. Trump once said, behind closed doors, that the Belt and Road Initiative has the potential to disrupt trade worldwide and is “insulting” (Karni 2018). Former vice president Mike Pence accused China of using so-called “debt diplomacy” to expand its influence and pressure countries like Sri Lanka to deliver ports into Chinese hands and allow China to build military bases there. Speaking at the Asia–Pacific Economic Cooperation (APEC) summit in November 2018, Pence said the US would not “offer a constricting belt or a one-way road,” in a clear swipe at the China-proposed Belt and Road Initiative.

An “anti-China vanguard” in Beijing’s eyes, former US secretary of state Mike Pompeo was even more hostile to the Belt and Road Initiative. He not only criticized the plan on multiple occasions, but also pressured Pakistan, Panama, Israel, and other countries to be vigilant against Chinese investments and reduce economic cooperation with China. For instance, Pompeo once warned those countries against what he called Chinese State-owned enterprises’ “predatory economic activity.” He said: “when China comes calling, it’s not always to the good of your citizens,” but declined to cite specific projects that he considered questionable (Wong 2018). Pompeo also said China’s efforts “to build ports around the world aren’t because they want to be good shipbuilders and stewards of waterways, but rather they have a state national security element to each and every one of them.” He claimed that the Belt and Road Initiative is “a non-economic offer” through state-facilitated, below-market pricing and predatory lending practices, while the US is “working diligently to make sure everyone in the world understands that threat” (Pompeo 2019). In March 2018, the US Intelligence Community Senate Armed Services Committee

held a “Worldwide Threat Assessment” hearing, during which Dan Coats, then-director of National Intelligence, and others, claimed that China built its geopolitical advantages worldwide through the Belt and Road Initiative, which posed a serious threat to US influence (Coats 2018).

US military leaders have sharply criticized the Belt and Road Initiative. Former defense secretary Jim Mattis said: “In a globalized world, there are many belts and many roads, and no one nation should put itself into a position of dictating ‘one belt, one road’” (Panda 2017). In particular, he accused projects such as the China-Pakistan Economic Corridor of undermining regional security. Additionally, many US theater commanders and other military leaders have publicly criticized the Belt and Road from the perspective of military security, indicating the development of a more strategic dimension to the US desire to counterbalance the Belt and Road Initiative. Admiral Harry Harris, then commander of the US Pacific Command, said the Belt and Road Initiative has enabled China to be in a position to influence global shipping routes. He stated that it is a concerted, strategic endeavor by China to displace the US and its friends and allies in the Indo-Pacific region and that all global choke-points are under pressure from China’s Belt and Road Initiative. Harris’ successor, Admiral Philip Davidson, said the Belt and Road program is part of Beijing’s bid to “shape a world aligned with its own authoritarian model while undermining international norms, such as the free flow of commerce and ideas” (Gertz 2018). Former commander of US Africa Command Thomas Waldhauser and former commander of US Southern Command Kurt Tidd also publicly questioned the expansion of the Belt and Road Initiative in Africa and Latin America.

Moreover, US congressmen also made an issue of the Belt and Road Initiative, demanding that the Trump administration increase US attempts to counterbalance China’s influence. The U.S. House of Representatives Committee on Foreign Affairs, the United States Senate Committee on Finance, and multiple other congressional institutions, as well as the Congress-mandated U.S.–China Economic and Security Review Commission, held hearings on the initiative. In August 2018, a group of senators sent a letter to then-Treasury secretary Steven Mnuchin and former secretary of state Mike Pompeo, saying that the goal of the Belt and Road Initiative is “the creation of an economic world order ultimately dominated by China” and that it is imperative that the US counters China’s attempts.

In general, US strategists’ views on the Belt and Road Initiative have become increasingly negative in recent years. They believe the initiative is “China’s Marshall Plan,” with which China intends to convert economic strength into geopolitical clout, establish and consolidate its control over the Eurasian continent, build a new international order, and promote a Chinese version of globalization. They have paid much attention on the Belt and Road Initiative’s influence on military security (Thorne and Spevack 2018), particularly worrying that China is seeking to expand so-called “digital authoritarianism” through the “Digital Silk Road” (Patrick 2018). “Debt trap” has become a key phrase for US policymakers to comment on the Belt and Road Initiative. They accused Beijing of using it to increase control over countries along the Belt and Road routes (Parker and Chefitz 2018). Some US experts also claimed that the operations, by failing to follow international standards and employing corrupt practices by Chinese enterprises and financial institutions in

the countries along the Belt and Road routes, cause harm to US economic interests (Smith 2018). They believed China is using the Belt and Road Initiative to promote the internationalization of the RMB and Chinese technological standards (Kania 2019).

3 The US ratchets up its counterbalance against the Belt and Road plan

To deal with the so-called challenges brought about by the Belt and Road Initiative, the US government has not only launched a “war of narrative,” but also has taken multiple measures to disrupt and impede the Belt and Road cooperation. It has attempted to impose additional costs on China’s implementation of the Belt and Road Initiative, and has used hedging against the initiative as an important aspect of its strategic competition with China. In Beijing’s eyes, the US has increasingly launched all-round, cross-regional, and global competition against China, with an attempt to closely integrate economic encirclement, technological blockade, military and security containment, and ideological suppression. This has been displayed through its dealing with the Belt and Road Initiative.

First, the Trump administration enriched and refined the Indo-Pacific Strategy and introduced multiple policies and measures related to economy, security, democratic governance and others, with the goal of making the Indo-Pacific Strategy a major platform through which to counter the Belt and Road Initiative (Tellis 2017). The Trump administration proposed to build a “free and open Indo-Pacific,” safeguard the rules-based Indo-Pacific order, promote “responsible interconnection” and support “high-quality infrastructure” construction in line with the principles of transparency, rule of law, and environmental protection.

Economically, the US did not compete with the Belt and Road Initiative over scale and capital, but instead focused on three areas: digital economy, cybersecurity, and energy and infrastructure development. It announced a \$113 million “down payment” on a new era in US economic commitment to peace and prosperity in the Indo-Pacific region so as to mobilize more private investment to participate in concrete action plans, such as the Enhancing Development and Growth through Energy (EDGE). The US also deepened coordination with countries including Japan, Australia, and India to offer states in the Indo-Pacific region more low-interest loans for the construction of power stations, roads, bridges, ports and other infrastructure. The US, Japan and India launched mechanisms such as the Indo-Pacific trilateral infrastructure forum to fully mobilize private enterprises and capitalists to engage in competition with China.

In the security sector, the Indo-Pacific Strategy focuses on four areas: “maritime security,” humanitarian assistance and disaster relief, peacekeeping capacity improvement, and combatting transnational crime. It adopts Southeast Asian and Pacific Island countries as focal points and increased input in countries along the Bay of Bengal, Sri Lanka in particular. The Indo-Pacific Strategy also identifies issues related to democracy and governance. Speaking at the APEC summit in

November 2018, former US vice president Mike Pence announced a \$400 million Indo-Pacific transparency program.

In terms of policy coordination, the Trump administration went to great lengths to promote the Quadrilateral Security Dialogue, also known as the Quad, a strategic dialogue mechanism between the US, Japan, Australia and India, striving to enhance coordination among the four governments in fields such as maritime security, anti-terrorism, interconnectivity, cybersecurity, and so on, to exert greater pressure on China. In particular, against the background of escalating China-India border frictions, US strategists further mulled how to play the “India card” in dealing with China. Thus, India has played an increasingly prominent role in the US Indo-Pacific Strategy (Madan 2020). With the support of the US, India has strengthened institutional security relations with Australia and Japan, with the India-Australian relationship, in particular, getting an obvious boost (Lakshman 2019).

In the context of the COVID-19 pandemic, India, Australia, and Japan jointly launched the Supply Chain Resilience initiative, an action aimed at reducing economic dependence on China, in concert with US hawks’ attempt to decouple from the Chinese economy. The Trump administration made it clear that it hoped to build the Quad into a NATO-like alliance. On August 31, 2020, US vice secretary of state Stephen Biegun proposed at the U.S.–India Strategic Partnership Forum that Quad should be formalized to establish a closer partnership resembling NATO. Biegun said: “the Indo-Pacific region is actually lacking in strong multilateral structures.” The US Indo-Pacific Strategy is about “pushing back against” China in almost all domains. The goal of the US government is to bring the US, Japan, India, Australia and other countries in the region together to form a barrier against “any potential challenge from China.”

Second, the Trump administration attached great importance to the expansion of the Belt and Road program in Europe and intended to work with the EU and other powers to jointly counterbalance China. The Belt and Road Initiative primarily aims to link the vigorous East Asian economic zone with the developed European economic zone more closely. Europe has occupied an important position in Belt and Road cooperation. Southern European countries as well as Middle and Eastern European countries such as Greece, the Czech Republic, and Hungary, in particular, have taken a relatively active role in Belt and Road construction. In such a context, senior officials from the Trump administration, such as Pompeo, had tried their best to obstruct China–Europe Belt and Road cooperation. Their efforts included asking the Italian government not to sign a Belt and Road framework deal with China. The US Congress also devoted its energy toward working with Europe to counterbalance the Belt and Road plan. James E. Risch, chairman of the Senate Foreign Relations Committee during the 116th Congress, released a report titled, “The United States and Europe: A Concrete Agenda for Transatlantic Cooperation on China,” on November 18, 2020, in which tackling the impact of Belt and Road on the economy and national security is an important focus.

The US also supported the Three Seas initiative, known also as the Baltic, Adriatic, Black Sea initiative, which was launched by EU countries including Poland and Croatia as a counterweight to the BRI and the 17+1 cooperation mechanism. The Three Seas initiative launched in 2015 aimed to promote dialogue, develop the

region's relatively weak basic infrastructure, and advance economic prosperity by running along a north–south axis from the Baltic Sea to the Adriatic and Black Seas. The 12 participating EU member states include Bulgaria, Estonia, Croatia, Latvia, Lithuania, Austria, Poland, Romania, Slovakia, Slovenia, Czech Republic and Hungary. These countries comprise 28% of the EU territory and 22% of the entire EU population. This initiative is considered the response of European countries to the BRI (Morris 2020). The Trump administration attached great importance to the Three Seas Initiative. Trump himself attended the summit of the initiative in Warsaw, Poland, in July 2017. In February 2020, the Trump administration pledged \$1 billion in support of the Three Seas Initiative through the International Development Finance Corporation (DFC). On October 19, 2020, then US secretary of state Mike Pompeo reiterated US support for the initiative during a speech at the Three Seas Virtual Summit and Web Forum. He said this is “an opportunity to keep European nations strong, free, and aligned with the United States.” The US hopes that by providing diplomatic and economic support to the Three Seas initiative, it can strength US influence in Europe and contain China's further infiltration in the continent. Pompeo praised the commitment of the Three Seas initiative to transparency, accountability, and financial sustainability in public infrastructure. He said that, “the authoritarians in Moscow and Beijing are dangling infrastructure deals as a way to gain strategic and political leverage over free people. We've seen this with Nord Stream 2. We've seen the crushing effects of Chinese infrastructure deals around the world, from Laos to Montenegro, and to Pakistan” and “the United States does not want to see authoritarian powers again compromise the sovereignty or liberty of our free-world friends.”

Third, the Trump administration viewed the international development field as an arena within the major power competition and tried to counterattack China via the US Development Finance Corporation (DFC) and the Blue Dot Network. On the one hand, the US tried to prevent international organizations from participating in BRI cooperation by enhancing its control over existing international development agencies, such as the World Bank, via multilateral assistance review. On the other hand, based on the BUILD Act, the Trump administration re-organized the Overseas Private Investment Corporation (OPIC) and the Development Credit Authority of the US Agency for International Development and formed the DFC, to provide financing for basic infrastructure construction in some countries, an alternative that targeted China (Ratner 2018).

In addition to basic functions such as offering loans and insurances, the DFC also has the authority to invest in equity and the currency of the recipient country and make guarantees. At present, the DFC has received approximately \$60 billion in infrastructure aid and modern financial tools. It is worth noting that to offset the impact of BRI on the financing of global basic infrastructure, the Asian Development Bank, led by the US and Japan, announced in 2020 a \$20 billion investment package, a 50% increase compared to 2014. Seventy percent of the fund will be used to support basic infrastructure development in the Asia–Pacific region.

Together with Japan and Australia, the US launched the Blue Dot Network initiative to provide so-called international certification of infrastructure development projects worldwide. It wanted to differentiate BRI projects with higher standards in

areas such as marketization, sustainable debt, and environment protection. The Blue Dot Network initiative was proposed in November 2019, with the US emphasizing the support of multiple interest stakeholders. The Blue Dot Network vision uses as its foundation a set of established global infrastructure principles set out in the G20 Principles for Quality Infrastructure Investment (emphasizing the sustainability of debts), the G7 Charlevoix Commitment on Innovative Financing for Development (emphasizing market drive and financial transparency), and the Equator Principles (a governance framework used to evaluate a project's environmental and social risks, which has been adopted by 37 countries and 92 financial institutions). The initiative identified characteristics that fit the conditions of quality infrastructure investment: the usage of the infrastructure should be “open and inclusive”, the choice of infrastructure building units should be “transparent”, the infrastructure should be economically viable and financially secure in terms of the payback-ability of debt countries. In January 2020, countries including the US, Japan and Australia organized the first meeting of the Blue Dot Network steering committee. The initiative was originally slated for discussion at the G7 summit in 2020 but was delayed due to the pandemic.

Fourth, the Trump administration viewed the Digital Silk Road as a key area to contain China and carried out digital geo-competition by exploiting mechanisms such as the Digital Connectivity and Cybersecurity Partnership (DCCP), the Clean Network program, and the Multilateral Action on Sensitive Technology conference (Kliman 2019). In 2018, the Trump administration raised the DCCP plan under the framework of the Indo-Pacific Strategy. With this plan, the US hoped to foster a so-called open, interoperable, reliable and secure internet and strengthen the US ability to shape the digital future of developing countries. To push forward this plan, the Trump government established a working group that included different departments such as the State Department, the Department of Defense, and the Agency for International Development. To crack down on Huawei's international business in areas such as 5G and undersea cable, the US government promoted the Clean Network program, demanding that member states not use equipment and technology provided by Chinese companies when building their domestic digital infrastructure. In addition, by pushing forward the implementation of the US-ASEAN Smart Cities Partnership, the Trump administration accelerated setting up mechanisms to cope with the Digital Silk Road and improve relevant resources relocation, in a bid to enhance the US ability to shape the digital future of developing countries.

It is worth noting that the Trump administration tried to add costs to China in pushing forward Digital Silk Road cooperation in certain countries via technological assistance, intelligence-sharing, and opinion-making. Institutions like the Department of the Treasury's Office of Technical Assistance and the Trade and Development Agency's Global Procurement initiative provided the so-called technological assistance to countries when they signed commercial contracts with Chinese enterprises. Via mechanisms such as the Infrastructure Transaction and Assistance Network, the Transaction Advisory Fund, and the Global Infrastructure Coordinating Committee, the US supported its so-called partners to strengthen the legal framework of infrastructure projects, raise the transparency of these projects, and review the projects to ensure there was no hidden long-term cost. The aim was to

contain China's cooperation with some countries in the field of digital infrastructure. In addition, the US tried to contain China by exploiting procedural "rules". Based on the US-Japan Digital Trade Agreement and the ASEAN-Australia Digital Trade Standards initiative, it extended articles such as objecting to data localization and supporting companies to adopt encryption techniques to the trade agreements the US signed with other countries, in a bid to influence international digital trade rules (Manantan 2020).

4 The Biden administration and US response to BRI

Compared with the Trump administration, the Biden administration has taken a more complex and nuanced approach to China-US strategic competition. It focuses more on the systematic, long-term and urgent nature of major power competition and emphasizes the importance of competing with China from a "position of strength". US Secretary of State Antony Blinken called strategic competition with China the biggest geopolitical challenge facing the US. Ely Ratner, foreign policy and defense advisor to the US secretary of defense and former executive vice president and director of studies at the Center for a New American Security, said in February 2021 that China is a matrix problem that has penetrated into all fields including economy, technology, ideology, national security and diplomacy.

Since Biden took office, he has explicitly viewed China as the "most serious" competitor to the US and views US-China relations through the lens of strategic competition. The Biden administration emphasizes "pragmatic and results-oriented" diplomacy toward China and engages its alliance system to establish and consolidate its position of strength, so as to win over the long-term in its strategic competition with China. It is worth pointing out that as a Democrat, Biden's concept of competition with China is heavily ideologically driven. He believes China-US competition is a competition between different political systems. This is a key part of the so-called long-term strategic competition—the US wants to restore US-style democracy, cure domestic divergences, and highlight the superiority of the US style while competing with China. On April 28, 2021, Biden addressed a joint session of Congress, saying: "We're in competition with China and other countries to win the twenty-first century." He said China believes the US cannot compete with it in the twenty-first century, adding that what the US is doing is proving that democracy is effective and can deliver real results.

The Biden administration has a very negative view of BRI. In fact, during his campaign in 2020, Biden explicitly criticized BRI (Swaminathan 2020). In early April 2021, the Office of the Director of National Intelligence published the 2021 Annual Threat Assessment. It put China's push for global power as the preeminent threat, and said that China's growing influence is one of the biggest threats the US faces. It asserted that, "China increasingly is a near-peer competitor, challenging the United States in multiple arenas—especially economically, militarily, and technologically—and is pushing to change global norms." The report mentioned BRI, claiming that, "The Chinese Communist Party (CCP) will continue its whole-of-government efforts to spread China's influence, undercut that of the United States,

drive wedges between Washington and its allies and partners, and foster new international norms that favor the authoritarian Chinese system.”

The Biden administration is trying hard to propose alternatives led by the US and its allies to target BRI, in a bid to outplay China in the strategic competition. During a phone conversation with UK Prime Minister Boris Johnson on March 27, 2021, Biden suggested proposing similar initiatives led by democracies to cope with challenges brought about by BRI and “help those communities around the world that, in fact, need help.” Kurt Campbell, the US coordinator for Indo-Pacific affairs on the National Security Council, said during an online event hosted by Stanford University on May 26, 2021, that “The period that was broadly described as engagement has come to an end.” US policy toward China will now operate under a “new set of strategic parameters,” Campbell said, adding that “the dominant paradigm is going to be competition.” The US is looking to convene an in-person meeting of its partners in the Quad group of countries in the second half of the year with a focus on infrastructure in the face of the challenge from China, Campbell said. He emphasized: “For the first time, really, we are now shifting our strategic focus, our economic interests, our military might more to the Indo-Pacific.” He added that the US will need to dispel fears of American decline in Asia and offer a “positive economic vision” for the region (Brunnstrom and Martina 2021).

The Biden administration is imposing more pressure on China in a key post-pandemic era when BRI faces adjustment. Strategists including Daniel Russel, former assistant secretary of state for East Asia and Pacific affairs and vice president of the Asia Society Policy Institute, believe that the COVID-19 pandemic has dealt a heavy blow to China’s BRI ambition, and the debt crisis in some countries has become prominent. BRI may disrupt the global macro-economy and drag down the economic recovery in the wake of the pandemic. The pandemic has resulted in the delay of BRI projects, which will intensify the economic and political pressure of certain governments whose debt-burden problems may become more serious. China’s difficulties in its relations with these countries are likely to increase (Mouritz 2020).

During the G7 summit in June 2021, the Biden administration rallied other national leaders and pushed forward the Build Back Better World initiative. The initiative emphasizes that developed democracies should cooperate and provide support to developing countries’ infrastructure-building efforts to help narrow the \$40+trillion infrastructure need in the developing world. B3W is seen as a major strategic measure aimed at countering BRI cooperation (Adams 2021). The initiative mainly focuses on four issues: climate change, health security, digital technology, gender fairness and equality. In a recent statement, the White House said the B3W will be global in scope, from Latin America and the Caribbean to Africa to the Indo-Pacific. To differentiate between B3W and BRI cooperation, the US proposed six guiding principles, including values-driven cooperation, mobilizing private capital through development finance, and enhancing the impact of multilateral public finance. The White House claimed that with such an initiative, the US can “complement domestic infrastructure investments in the American Jobs Plan and create new opportunities to demonstrate U.S. competitiveness abroad and create jobs at home.” As for how to push forward US companies to actively take part in

overseas infrastructure-building, the Biden administration intends “to mobilize the full potential of our development finance tools, including the Development Finance Corporation, USAID, EXIM, the Millennium Challenge Corporation, and the U.S. Trade and Development Agency, and complementary bodies such as the Transaction Advisory Fund.”

The Biden administration has yet to release the full details of the B3W plan, but what has been released has triggered doubts within the international community (Ghiretti 2021). First, there is no clear information about how much funding G7 countries, including the US, will need to invest in this plan and how to ensure the availability of funding (Ho 2021). Second, the six “guiding principles” are actually additional conditions set for developing countries. High standards in environmental protection, labor rights, and financial sustainability may prevent certain countries from participating in the initiative. Third, US companies have been reluctant to help with developing countries’ infrastructure building, and the remedy offered by the Biden administration does not provide adequate incentives for the private sector (Rana 2021). Fourth, G7 member states disagree on which areas should be priorities for the initiative—Europe hopes it is African countries, Japan focuses on Asia–Pacific countries, and the US attaches importance to Latin American and Caribbean countries. It is worth noting that neither European countries nor Japan wants the relationship between B3W and BRI to become a zero-sum game.

5 Conclusion

BRI is a project of global cooperation initiated by China. It reflects a kind of connectivity-oriented, diplomatic strategic mentality and helps China explore and exercise coordinative and progressive global leadership. BRI development touches on many areas, including economy, security, diplomacy, and international development. Its strategic and long-term impact on China–US relations is worth further study. BRI has deepened China–US competition in geo-economy, international systems, and development modes. Interaction between the two countries around BRI reflects the important trends and characteristics of major power competition in the twenty-first century. As the US tries to further contain BRI, China needs to enhance the rules and mechanisms driving BRI and reduce the shortcomings that could be exploited by the US, to make sure BRI contributes positively toward China–US relations (Hillman 2018). Indeed, US companies, such as GE and Honeywell, have participated in BRI cooperation and benefited from it. Chinese and American companies can coordinate more in advancing infrastructure building, which is expected to bring new complementarity to China–US economic relations (Friedhoff 2018). Moreover, the two countries can cooperate to provide public goods and forge new partnerships in the field of international development.

In addition, the two countries can explore a pathway to security cooperation and engage in policy dialogue and coordination on topics such as cracking down on cross-border organized crime and maintaining security of maritime transportation routes. In sum, interactions with BRI, the US Indo-Pacific Strategy, and B3W should not be zero-sum. Developing countries that face real and urgent

infrastructure needs do not want to be faced with the dilemma of choosing sides between China and the US.

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Conflict of interest The author declares that there is no competing interests regarding the publication of this paper.

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