China’s Belt and Road Initiative: A Transnational Development Model?

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DOI: [10.22478/ufpb.2525-5584.2021v6n1.46184]

Abstract: The Belt and Road initiative announced by China’s President Xi Jinping has introduced a novel economic model that seeks to shift the site and purpose of development outside China. The initiative proposes the construction of a series of transportation platforms along the ancient Silk Road that connected China with Central Asia, Europe and West Asia. This outward thrust of investment and capital construction envisages significant reduction of distance and in spatial barriers between and China and the world that will form the road traversing different geographies of nations, territories and cultures. I call China’s Belt and Road initiative a transnational development model as it aims to coordinate factors of economic circulation across different national spaces controlled by different governance models, legal norms and political contingencies. Centuries ago, when the original trading route of the Chinese Silk Road was formed, this overland route was a contiguous territory where boundaries remained too fluid for any authorities to impose its will. But today the Silk Road is an imagined geography as this route is controlled by sovereign national territorial states having effective authority structures over each of these units. The initiative then requires China to entail a broad-based economic coordination with a diverse governance system. My paper will explore how the transnational scope of the Belt and Road initiative come to negotiate diverse authority structures in particular national contexts.

Keywords: Belt and Road; Development.

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The debates on the Belt and Road initiative focus on and anticipate possible policy convergence between China and other sovereign national governments along the road. In this framework the nations are given primary attention as the key actors participating in the initiative. But this paper will elaborate on three interrelated questions. Firstly, it will look at the social actors at sub-national levels and their possible responses and motivations as decisive factors. I will argue that the transnational policy convergences between China and other nations will be depend on how the social constituencies at the sub-national level respond to specific projects such as a highway construction or a port etc. The second issue pertains to the relation between the social constituencies along the territories of the Silk Road and the economic projects. The policy literature suggest that the Belt and Road initiative is not a need-based development model where local social actors aspire for a road, bridge or a factory as means to improve living standards. China’s initiative is driven by the substantial production capability of the some of the state-owned companies. I will argue that the need-based development aspirations and capacity-based capital construction can produce different kinds of social outcome and therefore can produce different responses from local social constituencies. Thirdly the paper will examine how the transnational scope of the initiative would negotiate with the national specific legal norms and achieve compliance standards.
2. The Belt and Road Initiative: a novel economic model

Ever since President Xi Jinping’s Nazarbayev University speech in September 2013, the Belt and Road initiative has received global attention. Perhaps no other economic idea has captured the imagination of the world as it did in recent times. The Chinese President’s call for the creation of a continuous economic belt along the ancient Silk Road prompted animated debates in countries of Central Asia, Russia and Europe. The ancient Silk Road, otherwise forgotten by the rest of the world, but continued to be the subject of historical research, has now been brought back to the sharp focus of contemporary economic, and geopolitical debates. It revived the intellectual interest on a cultural past of trans Asian trade, East-West cultural exchanges and above all China’s ancient genius and riches. It has become popular topic for many academic symposiums in Universities across the world. The Silk Road has kindled a new wave of literature both academic books, as well as popular accounts. Even in New Delhi which lies far away from the proposed overland route and economic belt, the books on Silk Road was sold out fast. This interest was not confined to the government elite, or financial executives, but was diffused widely in social imagination so much so to become a catchphrase in contemporary idioms.

What makes the idea of Silk Road so compelling for government elites and academic alike? How do we explain the popularity of an economic idea? Is it because of the utilitarian scope or in other words the economic possibilities it holds forth for those countries which participate in it? Has it been seen as a salvaging antidote for the otherwise crisis ridden world economy? Or is it because of the general fascination with things from the classical orient? The idea of Silk Road has in fact revived intellectual as well as popular interests in complex different ways. For the economists, it promises the possibilities of large volume of capital infusion through the newly formed Asian Infrastructure Investment Bank (AIIB) itself is an optimistic story. For the western historians, it has kindled fresh interests in the mystique of the orient steeped in a cultural past where nomadic sojourners traversed through the desert, steppes and the lakeshores of China and central Asia. The romance of the pastoral life on camels and horseback, exchanges of commodities, cultural accommodations and religious diversities.

It is interesting to note that President Xi Jinping has brought alive all these elements in his Nazarbayev University speech. He had invoked memories of the lost
world, the pristine desert lands, and the emotional bond between Chinese people and Kazakhstan. He was discreetly promising his audience that his economic initiative will take those countries in the route to the riches that they inherited long ago. Xi Jinping used only second half of his address to elaborate the economic part of the Belt and Road initiative. But before elaborating his proposal to create a continuous economic belt along the ancient Silk Road in rather familiar developmental language, Xi Jinping craftily evoked the memories of the past, and offered a promise for shared development in the future.

This section outlines four key features that make the Belt and Road initiative a novel economic idea. In the first place the initiative proposes a locational shift in terms of the site of economic actions. As indicated earlier, China had reversed its inward orientation of the national economy during the socialist planning era to that of an outward leaning economy since the late 1970s. This outward thrust has enabled China to develop a dense interface with the other economic regions of the world in particular to that of East Asia, North Atlantic and Western Europe where the bulk of the international trade is concentrated. However, this outward orientation, for a long time, was in pursuit of foreign capital into China’s national territories. The growth of the fourteen “open coastal cities” along the country’s eastern seaboard and the rise of Pearl River delta region in Guangdong province as the “factory of the world” is directly related to this strategy of “bringing in” foreign capital. In that sense the purpose of the open-door policy was premised on the development of China’s national territory. It also induced integrationist tendencies linking China to other national economies which shared common cultural linkages but for long remained insulated from each other for geopolitical concerns. The emergence of what Xiangmin Chen (1994) called the Greater South China Economic Region can be seen in the light of how capital mobilities can be promoted through open door policies. Therefore, even during the “open door” policy, the site and purpose of economic development still remained the Chinese nation. But the Belt and Road initiative marks a locational shift in the sense that the site of China’s economic actions will be locations outside the Chinese nation. It envisages the international arena, not in pursuit of foreign capital, but as outlets for Chinese capital investments. This locational shift of the government capital from inward oriented national economy to outward international space is a key marker of the initiative.
Secondly it aims to create transnational linkages through infrastructural assets. As is now well known the initiative envisions a seamless economic belt connecting China and Europe through an overland route along central Asia and Iran. There is a maritime Silk route, not part of the original proposal but later added to supplement the new grand vision (National Development and Reform Commission, PRC, 2015). In both it essentially a grandiose blueprint for transnational linkages both by overland route and by sea route. The idea of transnational linkages is not novel, but what is novel about Xi Jinping’s vision is how this long-distance geographical connectivity is achieved. The Silk Road aims to create a series of physical assets in the form of highways, railroads, and seaports. It is this asset creation or infrastructural construction the cornerstone of the Belt and Road initiative. As is evident the new infrastructures that the initiative is proposing to create are all high value in nature which require significant capital investment and industrial capability. It seems that the initiative is heavily construction oriented. These twin aspects, the capital intensive and construction driven, appears to be the defining feature of the Belt and Road initiative.

The third feature pertains to the consequence it produces in its course. If the initiative takes off with participation from more countries, it will lead to the reduction of geographical distances and travel time between key locations along the route. The ancient caravan route that start from Xian in China to Samarkand in Uzbekistan pass through desert plains and rugged mountain regions. The very physiographic features pose formidable physical barriers to transnational connectivity. The places along the Silk Road today are located in vast geographical distance which are not accessible easily for travelers, tradesmen and any other itinerants. Unlike many other well-travelled routes, the Silk Road is not a familiar journeymen’s trails. The spatial consequences of the proposal will be the reduction of these physical barriers and therefore the geographical distance. As Janelle has shown how improvements in transport technology from horse cart to modern passenger to the railways can lead to what is referred to as the annihilation space by time. He argued that the modern transport technologies have the effect of moving human settlements towards one another as ‘as the travel -time required between places decreases and distance declines in significance’. Janelle has introduced the concept of time-space convergence to explain how improvements in transport technologies can lead to the reorganization of social life (Janelle, 1968).
In order to create a seamless transnational economic belt, China’s initiative hinges on the governments of the territorial states along the route as the key nodes. This ‘governmentalism’ defines it fourth feature. China envisages and seeks for broader convergence between the Silk Road initiative and the economic policies of these states. While it is plausible to anticipate greater scope for such convergences, it is at the same time beset with complex challenges. A useful starting point to understand this question is to juxtapose the historical states along the ancient Silk Road and their contemporary embodiments. During the classical age of the Silk Road from Changân in Xian to Samarkand, the route was divided among ancient regimes of different kinds, from oasis kingdoms and cities to fragile empires (Hansen, 2012). These historical states had limited control over the territorial borders as they possess meagre infrastructural capacities to enforce anything akin to modern sovereignty. As Hansen has observed the route (s) was frequented by a diverse mix of people including emissaries, merchants, pilgrims, soldiers, and travellers. Who drifted towards the caravan routes in steppes and desert was the cosmopolitan sojourners who are driven by different set of motives rooted in religion, trade, politics and power. In retrospective, we can see that the ancient Silk Road was not about singular economic conceptions and exchanges arising from it, but of diverse interests not necessarily intersecting with each other, yet accommodated each other. In contrast to these borderless cosmopolitanisms of the bygone era, the Silk Road geography today is controlled by modern territorial states which exercise effective control over their land and resources. From the Himalayan plateau and Gobi Desert to Hindu Kush mountain to Kizil Kum desert and till the Caspian Sea, the most daunting physical geography today is controlled by the modern states which command fairly sufficient infrastructural capabilities to govern them the way they want. The policies and institutional practices of the states are sanctioned by the idea of modern sovereignty. As Krasner has defined sovereignty has been understood in four different senses. It encompasses “ability of the government to actually control activities within and across its borders”, it is the “organization of authority within a given polity”, it is premised on the idea that “the right of the government is independent of external authority structures”, and in legal terms it “referred to recognition by one state by another” (Krasner, 1999). Why the question of sovereignty is relevant to the Silk Road initiative is that the convergence between domestic economic policies and the objectives of the transnational
economic belt project not always converge. Sometimes the concerns arising from notions of sovereignty can provoke resistance to transnational propensities.

The shifting of capital investments into international spheres entails another set of complexities. The Silk Road today is divided among number of sovereign states which controls jurisdiction over their territories. An apparent incongruity defines the relationship between the territorial states and economic orientations of the Central Asian states. It is pertinent note here that they are deeply identity based territorial formations and are not yet integrated into the flows of economic globalization. From Kazakhstan to Iran are stable political systems, but at the social levels their responses to the forces of economic globalizations are ambivalent. This ambivalence, however, is not really a source of opposition to Chinese capital mobilities into their territories. But at the same time, it is simplistic to think that the government elites in these regions possess political capacity to introduce largescale infrastructural project to their populace. As noted earlier the Silk Road initiative is essentially a government centered approach where any infrastructural project will be decided upon by the governmental elite. While the Chinese government possess that capacity to not only exercise its rational choices in such matters but also has the institutional capability to implement them, even in face local opposition. However, the Central Asian states do not possess such twin political capabilities. The point here is that in the Silk Road initiative, the territorial states are the key node through which the economic belt will be created. Given the international dimension of the initiative, it is natural that the sovereign states are given formal centrality.

3. Nation, state and human needs: the chinese development model before the Silk Road Initiative.

For a long half a century, the idea of development in Asia was anchored around the idea of nation. The nation was seen as the purpose as well as the object of development where the government will coordinate the economic factors towards growth. In Asia this convergence between the nation and development remained as a foundational principle that embodied the collective will of the people ever since decolonization and social revolutions established popular sovereignties. Since the establishment of the Peoples Republic, China presented an imaginative model where nation was seen as both purpose and objective of development. In other words, the idea of development was essentially bounded by national territory. The idea of economic self-reliance was seen as prerequisite
to participate meaningfully in international relations. In the PRC’s long socialist development model expressed this Asian quest for economic sovereignty. It is useful to note here the distinctive model of development that the PRC charted out for the nation entirely relying on resources available within the nation. During the same historical period, in a faraway continent, the argument for economic autarky was gaining both intellectual and political momentum. The Latin American structuralist perspective articulated by Raul Prebisch through a historical terms of trade analysis concluded that the integration with world capitalist economy will only lead to structural dependence of developing nations. To avoid these pitfalls, Prebisch and his academic collaborators argued for import substitution industrialization as a remedy to stagnant agriculture and autonomous road to development. More radical followers of the school such as Andre Gunder Frank was to suggest a complete severance with the capitalist world economy if developing nations are to become economically independent. It is useful to note here that China’s three decades of development since the founding of the People’s Republic was aimed at an autonomous path to economic autarky driven by industrialization in conditions of insulation from capitalist external economy. China’s twentieth century leaders both the Republican leaders such as Sun Yat-Sen and the Communist revolutionaries shared a strong striving for nationalist industrialization. The period between the early 1950s and the late 1970s marks a distinctive epoch. In comparison to the preceding historical period including the ancient Silk Road era and the succeeding decades of the twentieth century, it was during the above period, China insulated from global economic flows. This insulation from the capitalist world economy was in fact a political choice rather than that imposed by any peculiar historical contingencies such as the Cold War. The important point here is that it was during this period when China was able to chart out, despite serious difficulties, an economic model based on the idea of self-reliance.

A salient feature of this model was its inward orientation. The Chinese nation remained both the source of development including human resources, capital and technology and the object of development as these resources were rationally mobilized to improve the living standards of the people. Here not only that the state became a source and an instrument of fiscal coordination including taxation, allocation and planning, but it also functioned as a redistributive agency regulating wages, creating economic opportunities and at the same time committing to equity. The convergence between state,
development and nation was most deeply felt during this period. Since the late 1970s, China has reversed this inward economic orientation and began to pursue an active participation in global economic circuits. Economic historians have identified this moment as the origins of China’s global rise. In the prolific writings on the subject both by the Chinese scholars and by the western analysts have presented a familiar explanation crediting the rational choice expressed in the policy of “reforms and opening up”. While this explanation does have some merit, alluding to the rational choices of the late 1970s as the sole reasons for China’s global rise will not reveal the full story. From an internal perspective, it is plausible to argue that the reform policies have ended the economic insulation thus creating new interface between Chinese national economic actors and the global economy. But during the early decades of the new century the idea of development became increasingly contingent upon factors outside the nation, in particular the global economic flows, commodity market, currency exchanges etc. Nonetheless the nation still remained the object and the site where the processes of development realized their social outcomes.

4. Belt and Road initiative, sub-national actors and clashing models of development in India

The Belt and Road initiative is a classic example of development from above where the government leadership of a country uses it’s owns reasons, rational choice and political will to formulate and carry out an economic objective. In its origins and orientation, this initiative epitomizes an elite economic vision. It is borne out of a range of surplus capacities China possess in terms of fiscal reserve and techno-industrial capabilities in infrastructural construction, For China the initiative opens up economic opportunities for outward investment and export of industrial capacities. As mentioned earlier, the belt and road initiative is not based on any collective human needs nor it can be seen as state economic intervention responding to spatial inequalities between regions in China. It appears that the initiative is derived from a concept of development from which social questions are largely excluded. The elite economic orientations of the government policies and the social aspirations of the people, if they do not converge upon each other, can sometimes create social discontents. While China has become a moderately developed society and perhaps it is possible that an elite economic vision of
the government and social aspirations of the people can complement each other. But this model of government–society complementarity is not applicable to other countries like India which is still at a very different stages of development.

Why India has not yet joined the Belt and Road initiative has usually been explained in terms of geopolitical concerns that is primarily a government discourse. Since the initiative envisages the territorial states as the key agency through which this transnational project can be accomplished, objections premised on geopolitical anxieties can well be considered legitimate from official perspective. But it is equally pertinent to look beyond the narrow framework of state-centered discourses to understand the Silk road project as a transnational development model. Because ultimately the project is depended upon how each of the participating governments coordinate land and social forces within their territory. This coordination can be complicated and perhaps prove too portent as it involves the acquisition and conversion of farm land and securing social compliance from farmers, peasant cultivators and labor for the project.

India is an interesting case where the popular conceptions of development has clashed with the development model articulated from above by the government. In this section, I will argue why the Belt and Road initiative as a development model will not be attractive to different social groups in India. What I present here are a purely speculative proposition. Because till date no infrastructural project has been conceived under the initiative and therefore, I have no empirical evidence to measure the possible social responses of the local people. The government of India has not elaborated its position on the Silk Road initiative in clear terms, except non-committal remarks from the foreign secretary. The public knowledge about the initiative is still confine largely to the educated sections of the urban population. It is relevant to note here that has been a demonstration effect of China’s global rise in India as evident from the popular interest in the Chinese cities and higher living standards of the people. But in the vast expanse of rural India where the agrarian economy has already under severe economic crisis, the term ‘development’ has acquired a rather portent meaning and any infrastructural project that involve largescale land acquisition can potentially exacerbate social anxieties locally.

Before explaining the growing popular discontents towards elite notions of development in the rural India, let us return to the question of diversity of governing norms along the Silk Road economic belt and how to understand India in that context. The fact that India represents a different political model from that of China need no further
elaboration here. The question that needs serious attention is how that difference affects the policy formulations concerning largescale infrastructural project. In countries where the governmental system is vertically organized as in case of the PRC the governmental elite enjoys some amount of autonomy in policy formulations. In India the organizational system of government is horizontally spread with the central cabinet, parliament and the judiciary having exclusive domain of power. At times each of these institutions can come into conflict before a particular policy is finally agreed upon for implementation. In contrast to China, there are no convergence or complementarity between these key institutions in terms of interest articulations. Therefore, policy making often becomes a terrain of lengthy negotiations and even conflict that entails prolonged consultative processes.

In the post-reform India the economic interests of different social groups are often articulated from below which at times compel the government to either to revise an existing policy or to formulate a new one. Contemporary Indian history is replete with such periodic eruption of social discontents in rural India by farmers, small cultivators, and indigenous people. Although rural communities often register strong opposition to government’s economic policies, through social mobilization, collective actions and confrontations, not always they succeed in forcing the government to revise a policy or restrain it from implementing controversial project. But the regular and periodic outbreak of such agrarian resistance has brought to the fore the question of what kind of development people really want. The social critique of the government’s elite economic models as expressed through these oppositional movements has also present to us an alternative vision of development by the rural people of India.

Would the Belt and Road initiative as an economic model be attractive to the rural people of India? This question is purely hypothetical, but perhaps useful to pose to understand the alternative conceptions of development evolving in India. As I indicated earlier China’s initiative is primarily an infrastructural project involving high value capital construction including highways, railway lines, bridges, sea ports etc. Such an idea may appeal to government elites, infrastructural firms, construction companies, equipment manufacturers and labor contractors. But for the vast farming communities of rural India such a proposal holds forth not much of promise. For example, a long stretch of eight lane highway connecting two commercial metropolis may be an attractive economic proposition as it will greatly help freight transport, connectivity and people’s
mobility between the two cities. But what are the economic benefit it will bring about to rural people? India’s recent experience in highway constructions and the local economic and social outcome they produced are disconcerting. From an Indian farmers’ perspective, large highway projects often bring with them far reaching economic adversities. In the first-place largescale infrastructural project does involve land acquisition from the farmers or local communities. For the local people it means displacement, relocation and an uncertain future. Development projects in India are increasingly been perceived by the rural communities as synonymous with displacements from their own land habitat, and cultural memories. Above all from the very source of livelihood. Once evicted from their farmland, a small cultivator will never be able to return to a condition of economic survival. In contemporary rural India, stories about the development induced displacements have become a familiar social experience (Lancy Lobo and Shashikant Kumar (2009), Anthony Dias (2012). Secondly, a large highway typically cut through rural communities disrupting the collective economy life they shared earlier and effectively divide them into two separate spatial boundaries without any scope for social and economic interactions. It hardly generates any local employment nor does it create economic opportunities for the cultivators, artisans, or the rural poor in general. Far from creating new economic avenues in the hinterlands, the large highways have in fact led to the contraction of agrarian employment. In recent years the rural areas along some of these largescale highway projects in India such as the Delhi – Agra express way and Delhi- Jaipur national highway is witnessing extreme forms social vulnerabilities such as high unemployment, distress migration, poverty and increasing crime rates. For economic survival many small cultivators who have lost land for these projects are now engaged in all forms of wage earning activities like roadside hawking, seasonal migration, and daily wage work. In different parts of rural India, largescale development projects have transformed small cultivators into new proletarians. Economic survival in rural India has become a desperate human struggle than ever before. In this context the government’s land acquisition has provoked deeply rebellious responses from the small cultivators and the rural poor. And it is no surprise that the government’s land acquisition processes have become a contentious political problem (Chakraborty, 2013). It has become plainly clear that any government which attempt to acquire land for infrastructural projects against the will of Indian farmers will definitely provoke ever more popular protests. The passage of a new land acquisition law by the former United Progressive Alliance (UPA) and the
parliamentary stalemate over its revision by the Modi government are signs of how deeply contested this ‘eminent domain’ has become in India.

5. Concluding remarks

China’s Belt and Road initiative has stimulated a global policy debate where academic analysts, national governments and financial institutions used vastly different perspectives to grasp the full scope of the proposed economic belt. Although it is primarily an economic initiative, the debates were largely dominated by perspectives of geopolitics, economic diplomacy, market integration and national interests. These perspectives have limited analytical scope as they largely leave the questions of social outcomes from their framework. This paper, therefore, posit the idea of transnational development model to search for an understanding that will shed light on the social outcome the initiative would produce. The entry point of such analysis is not the nation-state as most perspective tend to use, but social groups who are differentially located within national states and for whom the idea of development is basically meant fulfilment of human needs.

As a developmental model, the Belt and Road initiative is subjected to two different tendencies, that between the transnational economic scope and national specific compliance standards it is expect from multiple governing norms associated with different authority structures along the route. Transnational policy convergence between China and India will not depend entirely on the central government’s rational choices, but much on how social actors at the sub-national level such as small cultivators, farmers and the rural poor will respond to specific infrastructural projects. I would argue that the sub-national level social actors are important for the future of the initiative. Because participation in the economic belt does require a national government to coordinate and micro-manage capital, land and labor. The initiative is premised on the view that the participating governments do possess the political and institutional capacity to perform this role. While the Chinese government has demonstrated that it does possess that capacity, it is to be noted that there exists considerable variation in in these capacities in different countries owing to the different governing models, and stages of development.

The Belt and Road initiative will have limited appeal to the rural social actors in India because of the inherent clash of models between China’s capacity-based investment purposes and Indian people’s human needs-based development aspirations. China is a
moderately developed society and therefore the human needs that the people of rural India long for may not be felt as compelling as in India. But in China there exist an acute sense of economic and social deprivation among different strata of the society in particular farmers in rural areas and migrant workers in construction sector, coal mines and export manufacturing. Therefore, the idea of human needs can never be completely excluded from the idea of development or economic progress as it defines a fundamental human aspiration that will continue to exist in all societies. Since the establishment of the People’s Republic, China had embarked on a development path exemplary in the Asian context where the purpose of the China’s public policy was to address the acutely felt human needs of the people. During the long six decades since the early 1950s, this model of development has produced remarkable social and economic outcome. But in the new millennium, with the announcement of the Belt and Road initiative it appears that China is charting out a different economic model that marks a rupture with its own historical legacies. Human needs are the missing link in the imagination of Belt and Road initiative. Will it ever again become part of China’s public policy objectives? or who will restore the concept of human needs into the future economic imagination of China? Perhaps the long-term outcomes from the Silk Road economic belt investment will provides a fortuitous opportunity for it come back.

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