This article analyzes the implementation of the Belt and Road Initiative in Central Asian countries during the COVID-19 pandemic. In 2020, the whole world has to develop in the face of the COVID-19 pandemic. In addition, downfall in economic growth a recession in the global economy, which led to a slowdown in economic growth, suspension of production, closure of borders, and it was China that was the first to face this problem. All this negatively affected the projects of the One Belt, One Road initiative. The purpose of the study was to identify how the COVID-19 pandemic influenced the Belt and Road Initiative and what measures China has taken to preserve BRI projects, and how the Health Silk Road project has become a lifeline for China. The article shows the results of the survey analysis, indicating that the impact of the COVID-19 pandemic on the initiative is short-term. The practical significance of the study lies in the fact that at the moment there are so many studies examining the impact of the COVID-19 pandemic on the Belt and Road Initiative in Central Asia and this article will supplement the literature.

Key words: Belt and Road Initiative, China, COVID-19 pandemic, Central Asia.
Introduction

In recent years, China has been actively strengthening own economy and political positions on the world stage, and the Belt and Road Initiative as a manifestation of “soft power” has become one of the main instruments for achieving this goal. BRI is China’s global and multi-billion dollar project aimed at creating an infrastructure network that will connect China with countries in Africa, Asia, Europe and the Middle East. In recent years, BRI has been actively developing and on scale has only started to grow. For example, at the beginning of the implementation, only 68 countries participated in the project, but after the second BRI forum in 2019, the number of countries that signed agreements with China under the initiative risen to 126, as well as 29 international organizations joined. However, the COVID-19 pandemic has made its own adjustments, and the resulting crisis has led to a malaise in the global economy. This inevitably had an impact on the development of the BRI since the initiative was aimed at developing the infrastructure network, trade and economic relations, increasing investment flow and establishing connections between people. The measures taken against COVID-19 in one way or another affected all these areas and had an inevitable impact on the implementation of the BRI. Already in the summer of 2020, the head of the Department of International Economics of the Ministry of Foreign Affairs of the People’s Republic of China, Wang Xiaolong, said that 60% of BRI projects suffered from the crisis caused by the COVID-19 pandemic, namely 20% of projects were seriously affected, 40% were affected to one degree or another, the rest 40% are being implemented according to the schedule (inform.kz, “The coronavirus pandemic has negatively affected 60% of the projects of the Belt and Road Initiative”, 19 June 2020). The BRI was also affected by budgetary problems in China, as the government had to focus resources on rebuilding its own economy after the quarantine. This also affected other BRI member countries as they also faced an economic crisis. This situation cannot but raise concerns about the debts and loans associated with the initiative. Moreover, it is important to note that some countries participating in the One Belt, One Road initiative are also experiencing a political crisis and a change of power, as exemplified by countries such as Belarus, Kyrgyzstan, Armenia. Changes in the situation in the political field can have both positive and negative effects (Akmadi, 2020).

Scientific research methodology

The problem of the research is that there are not so many scientific papers considering the Belt and Road Initiative during a pandemic or its impact on the initiative, since for the beginning the COVID-19 pandemic is still ongoing and many Central Asian countries have not fully appreciated the scale the consequences of the pandemic. The object of the study is the countries of Central Asia and China, and the subject of the study is the process of implementing the Belt and Road Initiative in the context of the COVID-19 pandemic. The purpose of the study is to provide an overview of the impact of the COVID-19 pandemic on the implementation of the Belt and Road Initiative in Central Asia and what measures China has taken to preserve BRI projects.

The research method consists in a review analysis of scientific articles, as well as in the analysis of economic indicators taken from the official websites on statistics of the Central Asian countries. The research is descriptive, focusing mainly on the
context of the socio-economic problems caused by the pandemic and its impact on the Belt and Road Initiative.

The results of the study showed that after the first half of 2020, the impact of the COVID-19 pandemic on BRI projects was visible. However, many authors say that the Coronavirus pandemic has had an impact on the Belt and Road Initiative, but this impact is short-term and limited, as China is already taking some measures to support certain projects. Moreover, many experts and researchers note that in the long term, the Belt and Road Initiative will only gain momentum and the CA countries are an important part of the initiative.

Results and discussion

Analysis of the literature shows that most of the scientific works were aimed at studying the impact of COVID-19 on the economic and political aspects of the Belt and Road Initiative. According to research, the COVID-19 pandemic has made its own adjustments to the implementation of the Belt and Road Initiative. The global economic crisis due to the coronavirus has led to the fact that some of the projects under the BRI initiative have been suspended or delayed from the previously indicated deadlines. However, the COVID-19 pandemic does not change China’s strategic goals and COVID-19 only strengthens China’s willingness to advance the Belt and Road Initiative over the long term. Moreover, China is already taking measures to adapt the projects of the initiative to the new realities to restore the economy and support local production, in particular, a large role was given to healthcare, which is quite logical.

According to A. Corneliussen, the Belt and Road Initiative in the coming decades will contribute to economic growth in Central Asian countries, since these countries will link China with the Middle East and Europe. The resulting crisis has had an impact, but does not change the strategic objectives of the BRI for China. The author also notes the fact that COVID-19 will only strengthen China’s intention to implement the initiative in the long term. As for existing projects that may face problems due to the impact of COVID-19, then either these projects will be taken up by new companies or in some cases projects will be postponed or simply saying will not be resumed. Insufficient funding of the Initiative due to the economic impact of COVID-19 and non-payment of wages to workers in selected Belt and Road projects could lead to further delays. This will have a temporary impact on a number of separate Belt and Road projects as new companies will be delegated (Corneliussen, 2020).

Catherine Owen also speaks about the economic growth of the Central Asian countries during the pandemic. According to Catherine Owen, everything will depend on China’s actions and there are two possible outcomes, one of which may lead to an increase in the importance of the role of the Central Asian countries in the OBOR initiative. According to the author, if Chinese investors, taking advantage of the global economic crisis, buy out a large amount of assets abroad, then it will be able to strengthen its participation in Central Asia, which can contribute to the growth of the economies of these countries. However, if China decides to gain the upper hand over foreign loans and direct its economy to the domestic market, this will reduce its influence in the Central Asian countries. The author also notes that it is wrong to speak of China as a unitary economic entity with a consistent coordinated strategy. There are many Chinese lenders, including banks headed by Chinese multilateral organizations, state-owned enterprises and high net worth individuals. Each of them has its own priorities, rules and strategies (Owen, 2020).

Other experts such as A. Bugaenko, R. Vakulchuk and T. Umarov say that in connection with the consequences of the pandemic, China will soon direct its efforts to restore its own economy. However, after the recovery of its economy, China will immediately return to active investments, and in this case, the CA countries will be increasingly involved in the economic orbit of China, but this can help the CA countries adapt to the new realities of the post-coronavirus world. But in the near future, the importance of the BRI initiative for China may decrease, which will lead to the suspension of some projects or to delays in the implementation of projects, and moreover, so far there can be no talk of launching new projects if they are not related to health or to the pandemic itself. COVID-19 (Bugaenko, 2020; Vakulchuk, 2020; Umarov, 2020).

Marsha McGraw Olive in his article says that the economic crisis caused by the pandemic has made the transit procedure even more difficult. These consequences led to a decline in the export and import of goods, including raw materials, as well as to a decline in labor migrants, and as you know, labor migration is an important element of economic development in some CA countries. Kyrgyzstan may lose 45-50% of customs receipts and tax payments. In addition, Kazakhstan has benefited from the transit area in recent years, but the pandemic has significantly reduced this transit. Moreover, domestic
production of CA countries was also affected by the decline in imports from China, as there was no access to manufacturing components (Olive, 2020).

M. Gornikevich, Y. Zelkovsky note that in the next few years, the epidemic will open up an opportunity for Beijing to interact with societies and further develop the “One Belt, One Road” initiative. From Beijing’s point of view, COVID-19 is not an obstacle, but a special opportunity to achieve strategic goals that could not be achieved in the usual way. The authors also note if other, much more dangerous epidemics than the current COVID-19, arise in the next few years, China will have the opportunity to extend the New Silk Road, including the entire European Union (Gornikiewicz, Zelkowski, 2020).

Frank Mouritz’s work examines the short and long term implications of the COVID-19 pandemic for the Belt and Road Initiative. The author notes that today, China and the BRI partner countries have focused their attention and resources on fighting the spread of the virus and supporting the domestic economy. In this regard, damage to BRI projects was an inevitable process. However, the long-term implications are still uncertain as it depends on how long the pandemic will sweep the global economy back. But China is determined to maintain the BRI further, and if China manages to maintain the BRI throughout the pandemic, then Corona could open up opportunities for using “masked diplomacy” and BRI health infrastructure projects to enhance Beijing’s global standing and local BRI recognition (Mouritz, 2020).

Peter J. Buckley notes in his work that an increase in overcapacity in China will increase the pressure on Chinese companies to export overseas, and this may help to increase the BRI. China is also forging links with medical assistance to countries participating in the initiative. However, domestic unemployment in China in the downturn will become a huge problem, especially in cities and among migrant workers, and this could lead to the fact that China will demand to pay off some of the debt on existing BRI obligations. However, the BRI project will not be abandoned by China, since it plays a strategically important role (Buckley, 2020).

Michael H. Glyantz also notes in his article that China has faced criticism for its initial secrecy as a result of a lack of transparency that has damaged China’s image. In this regard, Beijing seizing the opportunity to strengthen its role in global governance, has become actively helping BRI countries to combat the pandemic through the “Health Silk Road” project. The BRI is not only strategically important to Beijing, it is also a symbol of China as a great power. Therefore, even during a pandemic, China partially supports BRI projects, and most likely in the future, after economic recovery, all previously frozen BRI projects will resume (Glantz, 2020).

Hallam Chow and Zhixin Han note that due to the new circumstances, BRI projects need a better risk management system and BRI projects must be linked to quality, efficiency and transparency. Amid the unprecedented challenges of 2020, BRI investments are up 3.6% year-over-year, suggesting that most BRI projects are still up and running. Several BRI projects have shown great resilience and support in the fight against the unprecedented challenges of the pandemic (Chow, Han, 2020).

There is no doubt that the impact of the pandemic on the implementation of the BRI initiative is observed not only in CA countries, but among all countries participating in the initiative. However, most experts and authors say that China will undoubtedly return to the implementation of the OBOR initiative, since these joint projects are designed for the long term. Most authors note the negative impact of the pandemic on the BRI initiative. Evgeny Vinokurov in his article highlights a specific number of negative consequences. For starters, the pandemic hit cross-border traffic, which has reduced trade and investment. The financial stability of the participating countries is also of concern, as many countries have unstable economic growth, and there is also an economic crisis from the consequences of the pandemic. Further, an equally important negative side is that in the near future China will invest more financial resources to stabilize its own economy, which leads to a decrease in resources for financing OBOR projects. It was also initially assumed that 2020 and 2021 will become important for the implementation of the OBOR initiative, since the multilateralism of the initiative was to involve international financial organizations such as the World Bank, the Asian Development Bank, the Islamic Development Bank, the Asian Infrastructure Investment Bank and others in the project. However, due to the pandemic, many financial resources will be invested in solving the aftermath of the pandemic (Vinokurov, 2020).

Analysis shows that the COVID-19 pandemic has not spared the OBOR initiative. Most experts point out that the pandemic has led to delays in the implementation of OBOR projects or the suspension of some projects, but it has not caused irreparable damage to the initiative itself. Moreover, China is already taking some measures to address the problem, and for efficiency, it involves part of the BRI’s investment in health-related projects and projects to address the aftermath of the COVID-19 pandemic.
Impact of the COVID-19 pandemic on the Belt and Road Initiative

China’s “Health Silk Road”

Of course, the COVID-19 pandemic has also damaged China’s image. In this regard, China has used transport corridors, ports and logistics centers along the Silk Road to provide medical assistance to partner countries in need of support. To improve its reputation, Beijing has launched a concerted campaign that the English-language media has described as a “mask of diplomacy.” Beginning in March 2020, Beijing has been openly deploying medical teams and personal protective equipment through its embassies and local associations. Chinese companies and institutions have also contributed, donating PPE to over 150 countries since the start of the pandemic (Mardell, 2020). China also sent teams of medical experts to more than ten countries along the Belt and Road, and helped the local population to fight the epidemic. Subsequently, China called this project the “Silk Road of Health”. At a critical time in the spread of the coronavirus, the PRC has sent medical equipment by rail to countries along the Belt and Road. This shows that the interconnected routes continue to maintain their main functions, namely, to provide uninterrupted communication between China and other countries of the world. Prior to the outbreak of the pandemic, the Health Silk Road project was moving forward rather slowly, but at the moment it has become relevant. The revitalization of this project is also due to the fact that China’s initial reaction to the coronavirus caused condemnation in many Western countries and had a negative impact on the perception of China at the global level. For China, the Silk Road Health Project has become a pillar of the BRI. It also sets the rhetoric for the specific implementation of some projects relevant during the pandemic. The Silk Road Health Project has also helped China partially restore its reputation as a responsible leader in global health governance. However, China also realizes that now is not the time to aggressively push this project forward in developed countries. Therefore, the target audience of the Health Silk Road project is developing countries, including CA countries, as developing countries face a shortage of resources in the health sector. Many CA countries are currently suffering from the pandemic, in no small part due to the ineffectiveness of their own governments. The pandemic also exposes weaknesses in health infrastructure in many developing countries, and China’s Silk Road Health Project could help address some of these weaknesses. Moreover, China already has experience in providing medical care during epidemics. For example, when the Ebola epidemic broke out in West Africa, China sent 1,200 workers, soldiers and doctors there. The revitalization of the Health Silk Road project could foster a more supportive attitude towards China’s global economic expansion at a time of growing criticism of its “debt trap diplomacy” (Mourits, Shelepova, 2020).

Conclusion

Summing up, we can say that the COVID-19 pandemic, which has spread almost all over the world by the spring of 2020, has become a strength test for all countries. Despite the fact that the COVID-19 pandemic has not yet come to an end, you can already see its impact on the socio-economic aspects. The pandemic led to a decrease in GDP, trade turnover, and an increase in unemployment and poverty in the region. The BRI initiative was also affected by the impact of the pandemic, but China will support the BRI initiative in the long term. Moreover, China is stepping up certain projects, which means that financing of projects under the Belt and Road Initiative has become more targeted and special attention will be paid to projects related to the digitalization of society during this period. It is possible that OBOR projects will have a unified approach to the implementation and development of digital medicine, digital, distance education at all levels, the development of digital communications, the development of online commerce and e-business. But it is important to note that those projects are being implemented that are relevant at the moment and those that will help China to strengthen its own economy during the crisis. However, the Chinese government has made it clear that the OBOR initiative will not be abandoned, it will be gradually restored depending on the situation. It should be noted that after the end of the epidemic, amid an acute economic crisis, a number of Central Asian countries will be interested in accelerating the implementation of the OBOR initiative, which may become an additional impetus for strengthening the integration processes in the region and this will help eliminate some of the economic and social consequences caused by COVID-19.
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