

2021-01-31

Adapting or atrophying: China's Belt and Road after the Covid-19 pandemic

M. Ye. 2021. "adapting or atrophying: China's Belt and Road after the Covid-19 Pandemic." Asia Policy, <https://hdl.handle.net/2144/43585>

"Downloaded from OpenBU. Boston University's institutional repository."

**The Belt and Road after COVID-19
Actors and Activities in Globalizing China**

Min Ye

MIN YE is an Associate Professor at Frederick S. Pardee School of Global Studies, Boston University, author of *The Belt, Road, and Beyond* (Cambridge University Press, 2020). Email: ye@bu.edu.

KEYWORDS: China; Belt and Road; COVID-19; “middle politics”; soft institutions.

EXECUTIVE SUMMARY

The paper analyzes Chinese policy discourses and development trends before and after the COVID-19. It evaluates whether the Belt and Road Initiative (BRI) will continue in China and what changes are likely to be seen after the pandemic.

Main Argument

From January to June 2020, China went through the full cycle of COVID-19—outbreak, containment, economic reopening, and return of political life. The paper analyzes Chinese materials and demonstrates that the BRI strategy continues to enjoy supportive discourses and robust actions in China. Furthermore, the paper reveals that motivations for the BRI today are similar to those leading to its launch in 2013 and that interests developed during the BRI implementation continue to grow in China after COVID, albeit with different emphases.

Policy Implications

- The paper unpacks the domestic politics behind China’s Belt and Road during the pandemic. It demonstrates the arguments and actions inside China that will shape its globalization trajectory in the future.
- The analysis maps out the full cycle of COVID-19 in China and shows challenges, responses, and political-economic outcomes relevant to other countries.
- Going beyond political rhetoric and popular sentiments in China, the paper shows that Chinese policy elites are pragmatic and engaged in the BRI and globalization. They offer a stabilizing force against the potential “deglobalization” wave in the post-COVID world.
- The new signs show that post-COVID globalization will have different priorities from before. In the BRI, some hard infrastructure is likely to give way to softer and socially more inclusive areas of cooperation, such as information, technology, medicine, and education.

DRAFT

Introduction

The Belt and Road Initiative (BRI), launched in late 2013, has faced challenges brought by the COVID-19 pandemic in China and the world. The pandemic, first, imposed travel restrictions across countries, damaging to a globalization strategy that focuses on infrastructure and connectivity; BRI-associated infrastructure and projects have experienced varying degrees of delays and cancellations.¹ Second, the virus, initially breaking out in China, has caused significant chills and conflicts between foreign and Chinese governments and hostile public opinions against China in both BRI and non-BRI countries. Furthermore, the pandemic has exerted such severe strain on the Chinese economy that its financial commitment to the BRI is uncertain. Even China came out of the pandemic among the earliest and emerged as an essential player in the world fighting against the virus, these challenges have not moderated, as countries continue to struggle with the pandemic and battle a lengthy economic recession.²

Will the 2020 pandemic mark the decline of China's BRI and make China turn inward-looking? Undoubtedly, COVID-19 has presented mounting difficulties to the BRI and globalization in general, rendering pre-COVID priorities and projects unsustainable. However, the domestic motivations behind the BRI's launch are still influential today; interests and institutions emerging during the BRI implementation in the past few years remain robust in China. Hence, despite external and internal challenges, the BRI is likely to continue as China's globalization strategy after COVID.

¹ Matthew Erie, "BRI vs. COVID-19," *Oxford China, Law and Development Research Brief* no. 5, 2020. Available: <https://cld.web.ox.ac.uk/file/590881>.

² Skepticism is apparent and widely spread. Paul Haenle and Lucas Tcheyan, "How the World Is Responding to a Changing China," June 10 (2020). Available: www.carnegieendowment.org.

DRAFT

The paper shows that, like in 2013, Chinese discourses through the COVID cycle demonstrate the strategic imperative to de-escalate U.S-China rivalry, diplomatic imperative to search for partners, and economic imperative to help revive the economy. Chinese actions in the paper demonstrate that vested interests are making efforts to continue, expand, and adapt projects in the BRI since the outbreak of COVID-19. Furthermore, soft and scientific BRI projects in health, medicine, technology, and high education have gained momentum. China's efforts to stimulate domestic digital economy and technology sectors are likely to have applications in overseas BRI projects.

From January to June 2020, China went through the full cycle of the COVID-19—outbreak, containment, economic reopening, and return of political life. Its experience as the virus epicenter, the fastest country to get out of it, and the difficulties it faces in reviving the economy provide valuable lessons to other countries still in the cycle. The BRI and globalization's continuous appeal in China suggests that there remain global efforts to fight the pandemic and anchor against a “deglobalization” urge in some nations, including China.

Presently, political rhetoric in many countries is conflictual, and popular sentiments are resentful. The study of COVID-China shows that there are communities of policy actors that continuously advocate practical and proactive measures to save national livelihood while maintaining global engagement. Going beyond strategic competition at the top, the interests and coalitions in interdependence have continued to exist and make efforts to adapt to shifting needs in globalization. Behind societal animus at the grassroots, the “middle elites”—professionals, companies, and local governments—strive to strengthen joint programs and projects. Such actors and activities constitute what this paper calls “middle politics,” separating from the “high politics”

involving national strategies and “low politics” pervaded with popular sentiments.³ The “middle politics” has been less studied in foreign policy and is typically underreported in news media. In today’s contentious and interdependent world, however, the “middle politics” is robust and pivotal to evaluating globalization's long-term trend and pinning down globalization's shifting priorities.

The paper has four sections. Section 1 provides an introduction of the BRI, its moderation and soft institutionalism in recent years, and the milestones in 2019. The second section analyzes policy discourses in China concerning the BRI and globalization. It reveals that the strategic, diplomatic, and economic priorities still support the BRI in China. Section 3 covers actions in China that seek to continue the BRI and meanwhile reorient to areas that better fit the post-COVID reality. The final section discusses drivers and patterns in China’s BRI before and after the COVID and sheds light on globalization's trajectory in the post-COVID world.

BRI before COVID: Drivers and Evolution

President Xi Jinping launched the Belt and Road Initiative (BRI) in two propositions in late 2013, the land-based Silk Road Economic Belt and the 21st Century Maritime Silk Road. It has rapidly become the most studied policy in China and abroad.⁴ Outside China, observers have portrayed the BRI as Beijing’s grand strategy to achieve strategic interests in the region and expand global power. The mechanisms for China to pursue such strategic power, as foreign observers explain, are economic statecraft—using economic instruments to achieve security goals abroad,⁵

³ Classical liberal theories separate high politics and low politics in international relations. In today's world, the real "low politics" is social media sentiments in different countries, and conventional "low politics" in interdependence is more aptly the "middle politics." Robert Keohane and Josepha Nye, *Power and Interdependence: World Politics in Transition* (Boston: Little Brown, 1977)

⁴ Min Ye, *The Belt, Road, and Beyond: State-mobilized Globalization in China 1998-2018* (New York: Cambridge University Press, 2020).

⁵ Audrye Wong, “China’s Economic Statecraft Under Xi Jinping,” Brookings Institution, January 19 (2019). Available: <https://www.brookings.edu/articles/chinas-economic-statecraft-under-xi-jinping/>.

and “debt entrapment”—making predatory loans to enhance the recipients’ dependence on China.⁶ According to such mechanisms, the COVID-19 pandemic would exert severe challenges that endanger its survivability in China. On the one hand, China's resources are in contraction, limiting its ability to finance BRI projects. On the other hand, external resistance at political and societal levels is so severe that it restrains the acceptability of the BRI outside China.

However, in China, the BRI represents a globalization strategy that features Chinese capital and infrastructure constructions. From 2013 to 2019, it has incorporated local governments, think tanks, universities, and social groups, ranging from trade and investment, cultural exchange, and scientific collaboration. Previous studies have established that the BRI was rooted in China's priorities in the economy, diplomacy, and geo-strategy and implemented by Chinese actors with the developmental, commercial, and societal interest in globalization.⁷ According to such domestic logic, the variables to assess BRI’s trajectory after the COVID should be China’s national motivations in globalization and Chinese actors’ priorities in the post-COVID world.

The external and domestic logics, to be sure, coexist, and interact with each other. This section intends to show that the external criticism has contributed to the BRI’s moderation and soft institution building in recent years. Secondly, before the outbreak of COVID, as shown in the reported BRI achievements in 2019, the strategy has continued to feature robust domestic priorities and coalitional interests. Such an introduction provides the background for the analysis of Chinese discourses and actions during the COVID cycle, which is essential to evaluate the BRI’s post-COVID trajectory and China’s future globalization in general.

⁶ Discussed in Kai He and Mingjiang Li, “Indo-Pacific: US-China Strategic Competition, Regional Actors, and Beyond,” *International Affairs* 96: 1 (2020), 1-7.

⁷ Ye, *The Belt, Road, and Beyond*.

External Scrutiny Shapes BRI Moderation

External, and generally critical, views of the BRI have worked to shape the strategy toward moderation and soft institutionalism in recent years. To placate external critiques of BRI's ambition and provide guidance to domestic actors, Beijing announced in 2019 that the strategy has evolved from an “abstract painting” [*xieyihua*] to a “meticulous drawing” [*gongbihua*]. It underscores that China's agencies, researchers, and business have established joint mechanisms, partnerships, projects, and platforms to link with their counterparts in other countries, including BRI and non-BRI countries.⁸

BRI's moderation was clear from Summit 1 in 2017 to Summit 2 in 2019. At Summit 1, the Chinese leadership promoted the strategy as “the project of the century” and committed financial pledges amounting to \$1 trillion. At Summit 2, he reframed the BRI as striving for sustainable development and high-quality connectivity. In Beijing, national agencies established frameworks and institutions with international organizations to address external concerns about BRI's financial and environmental risks. For example, the Ministry of Finance (MOF) worked with the International Monetary Fund to launch the Belt and Road Sustainable Financing Framework. The National Development and Reform Council (NDRC) and the U.N. Development Program announced the Belt and Road Green Energy Action Plan. Furthermore, the Ministry of Commerce (MOFCOM) started the new initiative of Private Entrepreneurs' Forum.

In order to make the BRI more sustainable outside China, Beijing boosted various flagship mechanisms in the strategy in 2019.⁹ Among them, the Asian Infrastructure Investment Bank

⁸ "yidaiyilu jianshe jingru gaozhiliang fazhan shiqi" [China's Belt and Road Construction Entered the Phase of High-Quality Development], *zhongguo yidai yilu wang* [One Belt and One Road Network], January 6 (2020). Available: <https://zhuanlan.zhihu.com/p/101373010>.

⁹ “yidai yilu dashiji” [Milestones in the BRI in 2019], *One Belt and One Road Network*, January 19 (2020). Available: <https://zhuanlan.zhihu.com/p/103448423>.

(AIIB) increased membership to 100 countries and began to issue the Chinese “global bond.” The Silk Road Fund increased its capital size to \$300 billion. Furthermore, to build collaboration with advanced economies, the BRI prioritized the third-market cooperation mechanism. In 2019, China had an agreement with fourteen countries, including Japan and Australia, on this mechanism. The China-Europe Railways, previously known for hefty government subsidies, ran 8225 rounds in 2019, and the occupancy rate reached 92 percent. Diplomatically, China added new foreign signers on the BRI and expanded cooperation with non-BRI signers. In short, the trajectory of the BRI was positive and practical in 2019; by taking into account external critiques, it embarked on the pathway of moderation and soft institutions quickly.

Domestic Logic Still Prevails

Inside China, BRI's internal logic continues to prevail, with consistent priorities in the national economy, diplomacy, and geopolitics and implementation led by domestic groups that have active and diverse programs in the name of BRI but serving their development and globalization trends.¹⁰ Table 1 summarizes the BRI milestones identified by Beijing in 2019. There are international conferences and forums to showcase the BRI's broad reach, key documents, and political conferences that confirm the top-level commitment to the strategy, and new linkages between China and the BRI regions. Most of the BRI “milestones,” however, have pertained to China's domestic development initiatives, economic liberalization, and regional economic planning. They do not have an immediate impact on foreign policy. As such, external observers

¹⁰ Ye, *The Belt, Road and Beyond*; Mingjiang Li, "The Belt and Road Initiative: Geoeconomics and Indo-Pacific Security Competition," *International Affairs* 96: 1 (2020): 169-187.

have largely ignored them. Nevertheless, it is precisely such domestic interests that have made the BRI attractive and durable in China, before and after the COVID-19.¹¹

[Insert Table 1 Here]

[Note to Reader: Figures are located at the end of the document.]

Before moving to domestic discourses and actions in support of the BRI after the COVID-19, let us recap the main takeaways from the BRI's origin and implementation before the virus attack. First, the strategy had been launched in late 2013 to manage the profound challenges Beijing faced in the domestic economy, diplomacy, and geopolitical circumstances.¹² Second, during implementation, actions and actors of the BRI program were diverse and conformed to localized domestic priorities than a cohesive top-down strategy.¹³ Third, the interface between Chinese activities and external resistance has compelled Beijing to moderate the BRI's rhetoric and actions abroad. Finally, along with the moderation are soft institutions in health and scientific BRI that are likely to grow after the COVID.¹⁴

In the following, Chinese materials show that the COVID-19 has not altered the domestic rationales behind the BRI since its birth and intensified the justification for continuity and expansion. First, the pandemic exacerbated the U.S-China rivalry to a dangerous level, making it more imperative to preserve the BRI as an alternative platform of globalization and diplomacy in Beijing. Second, although politicians and the public in some BRI countries are critical of China,

¹¹ The ability to speak to diverse domestic coalitions was also the foundation for America's Marshall Plan after WWII. See Charles S. Maier, "The Politics of Productivity: Foundations of American International Economic Policy After World War II." *International Organization* 31:4 (1977), 607-633.

¹² Min Ye, "China and Competing Cooperation in Asia-Pacific: TPP, RCEP, and the New Silk Road," *Asian Security* 11:3 (2015), 206-224.

¹³ Min Ye, "Fragmentation and Mobilization: Domestic Politics of the Belt and Road in China," *Journal of Contemporary China* 28: 119 (2019), 696-711.

¹⁴ In mid-2019, the *Nature* magazine published five articles in a series of scientific Belt and Road led by China. Among them, see Ehsan Masood, "China is Redrawing the Map of World Science," *Nature*, May 1 (2019). Available: <https://www.nature.com/immersive/d41586-019-01124-7/index.html>.

their overall animosity is more moderate than the U.S. and its Anglo-Saxon allies.¹⁵ Furthermore, while China's infrastructure and workers are on a temporary hold due to COVID-19, the demand for medical equipment, e-commerce, technology, and logistics in the BRI countries has risen rapidly. Finally, soft institutions between China and the BRI countries, fostered by the agency, commerce, and society, have continued and help adjust BRI projects to meet new realities in China and abroad.

Before we proceed, some clarifications are in order. First, in this paper, the Chinese writings are not all focused on the BRI per se, but China's globalization. Since Beijing has promoted the BRI as its core globalization platform, such pro-globalization discourses are in line with supporting the BRI continuity. Second, there are counter-arguments in China that are nativist, or hawkish or advocating "strategic contraction" [*zhanlue shousuo* 战略收缩].¹⁶ Thus far, they have not featured strongly in Chinese discourses on the BRI, nor do they capture activities by "middle" groups studied here. Lastly, Chinese policymaking remains opaque; the discourses both influence policy deliberation and reflect the government's preferences, which echo activities by local governments, businesses, and scientific groups in the country, i.e., the "middle elites."

China's Policy Discourses after COVID-19

China has a centralized, authoritarian polity. Yet, there have been persistent and vibrant policy communities in Beijing and beyond, which play significant parts in the PRC's policy

¹⁵ There is a divide in the advanced democracies regarding policy toward China. The U.S., UK, Canada, and Australia are ideologically more confrontational than others. Raj Verma, "China's Mask Diplomacy to Change the COVID-19 Narrative in Europe," *Asia Europe Journal* May 28 (2020), <https://doi.org/10.1007/s10308-020-00576-1>.

¹⁶ "Shi yinhong: zhongguo ying zhanlue shousuo" [Shi Yinhong: China Should Implement Strategic Contraction], *Sohu News*, June 25 (2020). Available: https://www.sohu.com/a/404048528_352307.

debates and policymaking.¹⁷ Opinions of the policy communities reflect and influence the viewpoints of the decision-makers with whom they exchange through formal and informal channels.¹⁸ The recent decade, in particular, witnessed that China's policy communities and research "market" have proliferated in size and vibrancy, driven by 1) changing issues that require popular input and policy debates, 2) domestic and international education that produces large quantities of analysts, and 3) China's leapfrog in information technology and social media that amplify the roles of policy opinions and discourses, with a significant push from the 2015 "internet +" industrial policy.

The "critical juncture"—from combating the COVID-19 outbreak to convening the Two Sessions [*lianghui* 两会]—presents a window of opportunity for policy communities to influence Beijing's policy directions.¹⁹ It also offers the opportunity to observe ideas, coalitions, and preferences in globalizing China. The following channels are sources of Chinese policy materials: 1) government-sponsored sites that publish policies, speeches, events, industry information, and expert opinions on major policy subjects; 2) popular search engines such as *Baidu* (the Chinese equivalent of Google) and *Zhifu* (with subject roundtables); 3) preeminent online commercial news that publishes commentaries in real-time; 4) think tanks that offer daily and weekly policy briefs and reposts from other sources. In addition to these venues, influential bloggers on social media sites (Weibo and WeChat) nowadays can shape policy debate and decision-making in China with their large followings.

¹⁷ Kenneth Lieberthal and David Lampton, *Bureaucracy, Politics, and Decision Making in Post-Mao China* (Berkeley: University of California Press, 1992).

¹⁸ Feng Liu, "The Recalibration of Chinese Assertiveness: China's Responses to the Indo-Pacific Challenge," *International Affairs* 96 : 1, 2020, 9-27, p. 16.

¹⁹ The concept of critical juncture is from Kent Calder and Min Ye, *The Making of Northeast Asia* (Stanford: Stanford University Press, 2010). The "Two Session" is an annual gathering of Chinese NPC and CPPCC, two top political and legislative bodies.

Analyzing materials on China and globalization from January to June in 2020, the section categorizes policy discourses into three groups, focusing on geostrategy, diplomacy, and the economy respectively. The strategic group concerns about U.S-China relations and the stability of the global order. The main message is that the great-power rivalry has reached an irreversible low point, potentially damaging China and the world system. The second group embodies China's diplomatic ambition and projects that China, now successfully combating the COVID-19 pandemic, will expand its global leadership. The third group is numerous and diverse in their interests and target audience. It anticipates massive headwind facing China's and the world economy and urges China to save itself has to aid others' fight against the virus and economic recession. These three discourses were parallel to the geopolitical, diplomatic, and economic justifications for the BRI upon its launching in 2013.

Strategic Pessimism Supports the BRI

The U.S-China relations have deteriorated continuously the latest since 2009, centering on maritime conflicts in the East China Sea, the South China Sea, and Taiwan Straits.²⁰ As the two countries engaged in ever-increasing strategic competition, renowned scholar and strategist Wang Jisi wrote in 2011, "China has to rebalance its strategic focus on the Eurasian continent."²¹ In 2013, he spoke widely in Beijing and promoted "China goes west" as a strategy to deflect the escalation of the U.S-China rivalry in Pacific Asia. Wang's strategic reasoning and the "China goes west" proposal have facilitated the BRI on the land component.

²⁰ Avery Goldstein, "US-China Rivalry in the Twenty-first Century: Déjà vu and Cold War II," *China International Strategy Review* June 2 (2020). <https://doi.org/10.1007/s42533-020-00036-w>.

²¹ Wang Jisi, "China's Search for a Grand Strategy: A Rising Great Power Finds Its Way," *Foreign Affairs* 90:2, 2011, 68-79.

DRAFT

The bilateral rivalry has further intensified under the Trump administration and expanded into a wide range of matters—trade, technology, intellectual property rights, human rights, Hong Kong, Taiwan, and the South China Sea. The “new China consensus” in Washington deems Beijing the chief strategic rival to the U.S. leadership and the liberal world order and believes the United States needs to rally near- and long-term competition with China in key areas.²²

The COVID-19 has exacerbated the superpower contestation. The U.S. adopted a largely hostile position against Beijing, as shown in its early imposition of the travel ban on China, the step-up in the supply chain “decoupling,” insistent call of the COVID-19 “Chinese virus,” and numerous congressional bills to charge China. In response, China adopted a confrontational approach too. Against each anti-China move in Washington, Beijing fired back and stressed America’s failure to contain the virus and conspiracy to suppress China.

In this backdrop, in a widely circulated speech, Wang Jisi underscored the dangerous turn in the bilateral relations. He observed that, although the pre-COVID relationship between China and the United States had been pretty bad, Chinese policy communities largely viewed the bilateral relationship as central to China’s foreign policy and argued for prudence in managing the superpower competition. “Now,” he found, “the mainstream view has become ‘tit for tat’ and ‘willing to show force.’” In particular, Wang cautioned, due to restriction in travel in the post-COVID world, people in both countries would come to accept hostile interactions and confrontations as usual. Moreover, the US-China information war, public opinion war, and diplomatic war would intensify to become “an irreversible trend” bilaterally and globally. To break

²² Charles Boustany and Aaron Friedberg, "Partial Disengagement: A New U.S. Strategy for Economic Competition with China," *NBR Special Report* 82 (2019). Available: https://www.nbr.org/wp-content/uploads/pdfs/publications/sr82_china-task-force-report-final.pdf.

this strategic impasse, Wang argued that China should do more to world stability through the BRI and globalization platforms, but not seeking, unrealistically, a coalition against the United States.²³

Peking University professor Jia Qingguo was deeply pessimistic regarding the U.S-China rivalry. Since a stable working relationship between China and the U.S. has been critical to existent institutions such as G7, G20, IMF, and the United Nations, he was also concerned about the global order in the post-COVID world. He lamented, the two countries had managed to cooperate and jointly fight the 2008 global financial crisis, the 2014 Ebola outbreak, and the 2015 climate change negotiation, strengthening the global institutions and global order. This time, in fighting the COVID-19 crisis, the lack of leadership from the United States and the U.S-China rivalry have rendered these international institutions slow to act and react. Jia warned, due to U.S. deglobalization and U.S-China decoupling, “2020 is destined to be a year of misfortunes.” However, he continued, irrespective of changes in the U.S. and U.S-China relations, China needs to be actively engaged in the global fight against COVID-19.²⁴

Deeply pessimistic views on U.S-China relations are common among strategic specialists in China. In early April, Zheng Yongnian wrote that the COVID-19 exposed significant systemic differences between US-China politics, economics, ideology, and the military. It was therefore impossible for the United States not to suppress China.²⁵ Policy elites in both countries used to believe in mutual dependence and seek to avoid great-power conflicts, now have become hostile too. Furthermore, popular sentiments in both societies are so negative that it will be challenging to improve relations even when the COVID crisis is over. With elite and public opinions hardening

²³ "Wang jisi: xinguan yiqingxia de zhongmei guanxi" [Wang Jisi: The U.S-China Relations during the COVID Pandemic], March 26 (2020). Available: <http://nsd.pku.edu.cn/sylm/gd/501976.htm>

²⁴ "Jia qingguo: yiqing jiasu shijie zhixu chonggou" [Jia Qingguo: COVID-19 Expedited the Construction of World Order], March 19 (2020). Available: https://www.thepaper.cn/newsDetail_forward_6586077.

²⁵ "Zheng yongnian: zhongmei guanxi yiqu bufufanle" [U.S-China has no way to return], April 8 (2020). Available: <http://www.cgthinktank.com/2020-04-08/100077019.html>.

against the other country, Zheng is gravely concerned that the U.S-China Cold War may turn into a hot war. “When that happens, it is the disaster for the whole world,” warned Zheng.²⁶ Then, what is China’s option? Zheng argues that the worst China can do is isolationism; instead, China should keep the door open and be active on the global stage.

China’s strategists are long-term specialists and policy communities on U.S-China relations; their views have large followings in online news, social media, and broadcasts that reach a broad professional audience. The strategic consensus among them is noticeable. On the one hand, they are pessimistic about the future trajectory in the U.S-China relations, driven by hostile “high politics” and “low politics” in both countries. On the other hand, they firmly believe that globalization and China’s active participation in the world serve the country’s short- and long-term strategic interests. Like in 2013, when the geostrategic motivation to avoid U.S-China conflicts in Maritime Asia helped drive the Belt and Road, the strategists, now worried about the U.S-China escalation into a “hot war,” have welcomed efforts in maintaining globalization under the BRI and beyond. These efforts include diplomacy and aid in African countries and central Asia, renewed investment negotiation with European economies and cooperation with Asian neighbors.

Diplomatic Ambition Pursues China’s New Roles in the World

The second group consists of scholars and researchers with various degrees of government connections, and their writing exhibits China’s newly rising diplomatic ambition. Many of them, or their institutions, were involved in making and implementing the BRI policy in recent years. Their views are optimistic about China’s collaboration with other countries, the ability to lead in various global forums, and advantage in technology and public health issues.

²⁶ Zheng, "U.S-China has no way to return."

Optimists were particularly salient in late March when China curbed the COVID-19 pandemic, and by contrast, Europe and America experienced rapid deterioration. Because of this turn of fate, optimists were eager to advocate for China's stronger leadership in world health, global economy, and diplomacy. Gu Xueming, a researcher at MOFCOM, and Ren Lin at the Chinese Academy of Social Sciences (CASS) published a policy brief in *China Daily*, "Fight Against Virus to Boost Globalization."²⁷ They jointly argued, "although the coronavirus outbreak posed a threat to the world economy in the short term, it cannot change the trend of globalization in the long term." Furthermore, they continued, "The pandemic could necessitate an adjustment in the international economic landscape, as advanced technologies such as artificial intelligence and big data are to play significant roles in the prevention and treatment of novel coronavirus pneumonia." Moreover, in these areas, China has an advantage in domestic innovation and application, and it can expand its use in BRI projects.

In a separate essay in *China Daily*, "On the Mend," Ren argued that in response to the COVID outbreak, China has demonstrated that it can play a meaningful role in improving global health governance. To seize the opportunity, Ren argues China should, firstly, formulate its strategy of global health governance, incorporating public health into the national security, and a global governance strategy that suits its international status—funding, aid, and tech-sharing. Secondly, increase influence in global health affairs by "actively engaging global governance." Finally, promote reform of the global health governance system and mechanism and share China's successful experience.²⁸

²⁷ Gu Xueming and Ren Lin, "Fight Against Virus to Boost Globalization," *China Daily*, March 17 (2020). Available: <http://www.chinadaily.com.cn/a/202003/17/WS5e7008b8a31012821727f8a0.html>.

²⁸ Ren Lin, "On the Mend," *China Daily*, March 19, (2020). Available: <http://global.chinadaily.com.cn/a/202003/20/WS5e74075aa310128217280944.html>.

DRAFT

Like the ambition based on China's public health experience, CASS researcher Gao Haihong spoke about China's growing roles in the global economy, presenting a viable, and perhaps superior, economic rescue package after the pandemic. In a weekly policy brief in late March, Gao praised China's central bank for delivering less aggressive, but well-targeted, monetary easing, in which a relief fund of \$77.6 billion for vulnerable small and private companies and a stimulus plan of \$510 billion for new infrastructure.²⁹ Jia Pujing, a professor at Renmin University, also praises China's economic trajectory and substantial role in the world economy. He identifies that the post-corona world is heralding a new round of industrial revolution, in which China's market presents an "irreplaceable" opportunity to the world.³⁰

Former Vice Minister of Foreign Affairs, He Yafei, presently the director of Global Governance Research Center at Renmin University, offered a lengthy discussion of the COVID-19's impact on China's diplomacy.³¹ He argues that China's response to the crisis has helped it gain more global networks and potential influence while recognizing the damage to U.S-China relations. In writing, He underscores, "China is the world's China." Through the COVID-diplomacy, Chinese leaders reconnected with foreign heads of state, societal organizations rallied to support China, and diplomacy was on full force in different directions. In particular, He argued that facing "China-bashing" led by the United States, "China should take the high road" and work

²⁹ Gao Haihong, "Resilient China can Lead Global Recovery," *OMFIT*, March 25 (2020). Available: <https://www.omfif.org/2020/03/resilient-china-can-help-lead-global-recovery/>.

³⁰ Jia Pujing, "zhanyi moshixia, zhongguo yao dangxin zai quanqiu chanyelianzhong de diwei bianhuama?" [Should China be Concerned about its Place in the Global Supply Chain under COVID], *guancharzhe wang* [Observers' Network], March 9 (2020). Available: https://www.guancharzhe.com/jiajinjing/2020_03_09_540607.shtml.

³¹ He Yafei, "hou yiqing shidaixia de zhongmei guanxi yu zhongguo waijiao" [U.S-China Relations and China's Diplomacy after Corona], February 21 (2020). Available: http://k.sina.cn/article_3164957712_bca56c10020015ygm.html.

with international actors to eradicate the “governance deficit” in the world and support the roles of WHO and other global organizations.³²

Heads of various BRI-named institutions expressed similar views. Vice Dean of Fudan University School of One Belt and One Road and Global Governance, Huang Renwei, published a piece in March and underscored the opportunities presented by COVID-19 to facilitate China’s participation and leadership in global governance. Huang explained that China could boost its global images by highlighting the “sacrifice” that Chinese people made in stopping the virus spread. Furthermore, to win international understanding, China needs to be open about its shortcomings in governance and mistakes that China made in the initial handling of the outbreak. By sharing lessons that China learned from these mistakes with other countries, China could “mend” its international image. Finally, Huang urged China to respect the WHO’s expertise and guidelines and expand WHO’s roles in the future management of the health crisis. “Multilateralism, not unilateralism, is China’s consistent position,” he argued.³³

In the ambitious group, some praise China’s superior political ideology and system. In an article titled, “Xi Jinping is a Good Emperor,” private entrepreneur Eric Li wrote that the COVID crisis is the testing ground of different political systems, governance structures, and cooperation mechanisms. China’s COVID-19 response demonstrates its advantageous system.³⁴ Another private fund manager confirmed that, although China was slow in disclosing the virus in the beginning, once the science on the virus became apparent, the Party leadership ordered the whole country to stop working at once. By March 11, China had achieved a decisive victory against the

³² He, “U.S-China Relations and China’s Diplomacy after Corona.”

³³ “yiqing qijian ruhe jianghai yidaiyilu gushi?” [How to conduct proper messaging during the Corona], March 18 (2020). Available: aoc.ouc.edu.cn/2020/0319/c9824a282503/pagem.htm.

³⁴ Eric Li, “Xi is a good emperor,” *Foreign Policy*, May 14 (2020). Available: <https://foreignpolicy.com/2020/05/14/xi-jinping-good-emperor-coronavirus/>.

virus. The rest of the world was swept by the pandemic, with Europe and America surpassing China as new epicenters. In short, “to fight COVID-19, the world cannot avoid the ‘Chinese way.’ Nor can the world leave out the proposition from China [referring to the BRI], should it seek to recover the global order and economic vitality.”³⁵

In May, optimists seemed to gain more strength in Beijing, driven by the U.S. withdrawal from the global system and China’s return to political life. In a CASS publication, researchers map out the future scenarios in the world and how China should respond in each scenario. The argument is clear that the U.S. “deglobalization” presents opportunities for China to expand in the global arena. They also argue that China should pursue the BRI—boosting collaboration with the developing countries—and working with advanced economies in the world to provide “convenient, resilient, and smart” global supply chains.³⁶ They point out the salience of trade in services, technology areas, and digital globalization. China had to step up its technology capability, and the world needs to construct new coordination and risk management systems. These are the opportunity for a new wave of globalization, in which China can play more influential roles.³⁷

In summary, diplomatic ambition is demonstrated by researchers and scholars that have affiliations with government or government-funded think tanks, as well as nationalist entrepreneurs. They have confidence in the future trajectory of multilateral governance and China’s leadership role in it. Some have vested interest in the BRI strategy and advocated more

³⁵ “yidai yilu changyi shi yingdui quanqiu xing wei ji de zhongguo fangan” [The Belt and Road is the Chinese Answer to Address the Global Crisis], March 27 (2020). Available: <https://zhuanlan.zhihu.com/p/112840327>.

³⁶ Feng Weijiang, “yingdui xinguan yiqingxia ni quanqiu hua langchao de zhongguo fangan” [China’s Proposal to Counter the De-Globalization Wave under COVID-19], *shijie zhishi* [World Studies] 11 (2020). Available: http://iwep.org.cn/xscg/xscg_sp/202005/t20200528_5135634.shtml

³⁷ Sheng Chen, “ni quanqiu hua langchaoxia de quanqiu hua jiyu” [The Globalization Opportunities in the deglobalization Wave], *shijie zhishi* [World Studies] 11 (2020). Available: http://iwep.org.cn/xscg/xscg_sp/202005/t20200528_5135637.shtml.

connections between China and the BRI region. In contrast, others have a more nationalist bend, observing China's strength in the political system, governance structure, and crisis management. However, in all, the optimists are globalists and advocate China's more active roles in world affairs in the future. They are also pragmatic in identifying sectors that have the potential for China to play more substantial roles in the post-COVID world.

Economic Pragmatism Needs the BRI

The third group is the most numerous and consists of actors in the economy and diplomacy. As a whole, they are not as pessimistic as the strategists who focus on U.S-China relations, nor as ambitious as the second group seeking China's expansion in the post-COVID world. They view post-COVID China and the world to be deeply troubled and challenged. For China to actively and effectively rescue itself, it has to help others tackle the challenge too. A lot of them have worked on and are concerned about the economic fallout from the health crisis. Compared to the 2003 SARS outbreak, as one study argues, the world has become much more connected, and China is much more dependent on the "health" of consumer markets abroad. Challenge from the present crisis is that even when China revives its production, if America, Europe, and Asia are still under the threat of the pandemic, there is no hope for China to achieve its economic goals.³⁸

In other words, pragmatists warned that the COVID crisis brought about severe economic shock and supply chain interruption and destabilized the overall global financial system. To mitigate the economic crisis, they argue that China should coordinate with other partner countries to resist all types of protectionism and repair the supply chains as quickly as possible. Inside China,

³⁸ "xinguan bingdu dui zhongguo ji quanqiu jingji de chongji" [Economic Impact by the New Coronavirus in China and the World]. Available: <https://www.vanguard.com.cn/the-coronavirus-china-and-the-global-economy/>.

they argue that the country needs to recover employment and production expeditiously. With China's recovery, it can and should offer experiences and resources to help other countries recover.

Compared to the second group, pragmatists' assessment of China's economic recovery to be lengthy, complicated, and dependent on the rate of the global recovery. They argue for China's active engagement in government-government coordination and multilateral organizations (such as IMF, G20) to help combat the economic recession.³⁹ Hu Biliang, Professor at Beijing Normal University, wrote, it is "highly probable that a global depression is happening this year." To avoid a global recession, Hu argued, China should, first, work within the G20 to collaborate and provide monetary and financial stimulus. Second, reduce tariffs and barriers to make sure the stability of supply chains. Finally, use the Belt & Road mechanism to enhance financial coordination and prevent regional and global financial crises.⁴⁰

Pragmatists urge China to assist other countries in the fight against the COVID-19 pandemic, employing a similar rationale—China's recovery is unachievable without a global recovery. In a popular blog, followed by 330 million views, the writer explained why China should assist foreign countries fighting coronavirus? He said, "They are foreigners, but they are consumers of goods made in China," pointing to the fact that 40% of China's GDP is in manufacturing with dependence on export markets. Second, in high-end medical supplies and equipment, China is dependent on more advanced suppliers in the U.S. and Europe. "Should production in the advanced countries experience a halt, Chinese patients will suffer." Finally, the blogger wrote that viruses do not stop

³⁹ Ren Lin, "qidai G20 fahui yiqingqi quanqiu jingji zhili xietiao zuoyong" [Expect G20 to Coordinate Global Economic Governance During the Corona Crisis], *Policy Brief* No.202008, March 27 (2020).

⁴⁰ "xuezh: san fangmian jiaqiang xiezu, fanzhi quanqiu jingji dafu xiahua" [China Scholar: Countries need to cooperate in three areas to prevent global recession], *China News Network*. Available: <https://www.yidaiyilu.gov.cn/ghsl/gnzjgd/122026.htm>.

at borders, and they do not disappear. “If China does not join the world to rid of the disease, it will come back to China.”⁴¹

In supporting China’s aid abroad, Zhang Yuyan, a senior researcher at CASS, also wrote, “the pandemic has shown that in inter-connected times a country cannot cut itself from the rest of the world.” He continued, “China will continue to contain the epidemic at home and lend a helping hand to other countries in their fight against the virus, thus safeguarding the shared future of humanity.”⁴² Similarly, scholar Zheng Guichu echoed that China’s international aid to combat coronavirus is to “help oneself by helping others.”⁴³ Zheng further recognized that anti-China forces have grown during the pandemic and is likely to bolster the trend of “slandering” China in the near term. “Active and robust aid to the developing countries in their fight against COVID-19 can neutralize such a trend.”⁴⁴

The logic of interdependence is clear in MOFCOM researcher Mei Xinyu’s argument for China’s active assistance in European countries’ combat against the pandemic. He provided two reasons. First, there are substantial overseas Chinese living there. Helping the host society recover helps overseas Chinese settle in the host, thus preventing the influx of returnees at this critical moment. Second, it is about multinational companies in China. In his view, helping foreign countries fight the coronavirus will enhance relationships with foreign-invested firms in China. These foreign companies are an integral part of the Chinese economy; and they care about their

⁴¹ “weishenme duiwai yuanzhu?” [Why Assist Others]. Available: https://www.sohu.com/a/380799027_355714.

⁴² Zhang Yuyan, “Today, there is no going it alone,” *China Daily*, April 2 (2020). Available: http://en.iwep.org.cn/hot_topics/202004/t20200411_5112485.shtml.

⁴³ “duiwai yuanzhu shifou hui yingxiang guonei yiqing fankong” [Will Foreign Aid Affect Domestic Prevention of the Virus], *Zhongguo wang*, March 26 (2020). Available: <https://news.sina.cn/2020-03-26/detail-iimxxsth1875385.d.html?vt=4&pos=3>.

⁴⁴ “zhuanjia: zhongguo duiwai tigong yuanzhu bushi luanshaqian” [Expert opinion: China’s international aid is not wasting money], *Sina News*, March 19 (2020). Available: <https://finance.sina.com.cn/review/hgds/2020-03-19/doc-iimxxsth0100656.shtml>.

home countries' well-being.⁴⁵ In terms of China's role in the world economy, pragmatists recognize that, on the one hand, China's speedy response to the crisis will win some "friends" and hence become an "anchor" in the global system. On the other hand, the interruption of global trade and supply chains will severely undermine the Chinese economy and its influence on the globe.⁴⁶

In summary, pragmatists underscore severe economic and diplomatic challenges that China is going to face after the pandemic. On the one hand, China's economic recovery cannot succeed without the global economy's adequate recovery. On the other hand, China will face enormous diplomatic challenges after COVID-19, particularly in advanced societies, making economic recovery in China and the world even more difficult. Hence, the policy actors argue that China should conduct robust multilateral efforts to fight the global pandemic and help other countries. Staying global and staying multilateral, in the pragmatists' views, are needed for China to revive the economy from the recession and rebuild diplomatic space abroad.

The discourses studied here are not all on the BRI specifically. The first group focuses on U.S-China strategic competition; the second group emphasizes China's diplomatic leadership; the third underscores the interdependent economy. This discursive layout is consistent with motivations behind the BRI's launch in 2013 and provides a permissive and facilitative environment for the BRI's continuity after the COVID-19. Of course, what is essential is not what China says, but what China does. The following activities show that local governments, the state capital, and central agencies—the "middle elites" in China—are continuing their BRI projects and programs, although with different priorities.

⁴⁵ "ganggang wenzhu yiqing, zhongguo weihe yao yuanzhu ling shijie zhenjing de zhongzaiqu ouzhou" [China just curbed its outbreak, why to help the shocking epicenters in Europe], *Shanghai Observer*, April 2 (2020). Available: <https://www.jfdaily.com/news/detail?id=227410>.

⁴⁶ Li Haidong, "yiqing shenke gaibian guoji geju" [The Virus Deeply Changed International Context]. Available: http://www.360doc.com/content/20/0331/08/57193316_902799340.shtml.

Actions in China to Continue the BRI

The policy communities above have argued for continuity of the BRI to manage U.S-China rivalry, expand China's global roles, and help China revive its economy. What about practitioners and implementers of the BRI? Do they have motivation and pressure to continue the strategy? This section finds although some BRI projects experienced inevitable interruptions,⁴⁷ actions in China during the COVID cycle indicate efforts to continue the BRI and adapt the BRI implementation to suit new realities in China and recipients.

Economic actors in China mostly make these efforts: SOEs that have overseas projects strived to fulfill their obligations as much as possible; local governments tried to continue overseas BRI programs and expand new domestic projects in BRI.⁴⁸ At the central-agency level, new policies facilitated investment and trade abroad, including the BRI regions.⁴⁹ Beijing's new stimulus efforts seek to maintain international trade and investment in China and are likely to facilitate and expand linkages under the BRI framework. Finally, scientific communities have started to renew and expand collaboration with their counterparts in the BRI regions. Under the framework of Health Silk Road and scientific alliances, the new areas of collaboration are likely to boost after COVID. The AIIB, with the \$10 billion COVID-19 emergency fund, has pledged to finance member countries' health infrastructure development and capacity building.⁵⁰

⁴⁷ Erie, "BRI vs. COVID-19".

⁴⁸ "2020 nian, gedi jiang ruhe canyu gongjian 'yidai yilu'?" [How Local Governments Participate in the Joint Development of One Belt and One Road], *zhongguo yidi yilu wang* [One Belt and One Road Network], May 24 (2020). Available: <https://zhuanlan.zhihu.com/p/143370462>.

⁴⁹ "teshu shiqi de quanguo lianghui: yidai yilu qianjing ruhe?" [Two Sessions at a Critical Juncture: What is the prospect of One Belt and One Road?], *zhongguo yidai yilu wang* [One Belt and One Road Network], May 28 (2020). Available: <https://zhuanlan.zhihu.com/p/144428181>.

⁵⁰ "Jinliqun zaihuo zhongguo zhengfu timing" [China Nominates Jin Liqun as the Chairman of AIIB again], *zhongguo yidi yilu wang* [One Belt and One Road Network], May 20 (2020). Available: <https://zhuanlan.zhihu.com/p/142454345>.

Economic Actors Maintain the BRI

In China, the BRI became the leading strategy because it spoke to Beijing's global aspirations and worked to meet the development needs of local governments and state-owned enterprises (SOEs). These vested interests have not gone away, and during the COVID-19, they tried to maintain their operation in BRI projects.

Among local governments, coastal Jiangsu province had invested in high profile economic zones in the BRI regions. When the virus broke out, the province and its BRI special zones were quick to respond. To stabilize the business in these zones, the provincial Organization Department sent teams of cadres to guide the combat against the virus on site. In the China-Emirates Capacity Cooperation Demonstration Zone, the management office rapidly installed an online services system, and expeditiously started virus prevention and control.⁵¹ Also orchestrated by the provincial Party Organization, doctors from Jiangsu went to help fight the health crisis in the Sihanoukville Special Economic Zone in Cambodia, setting up protocols and checkpoints of detection and prevention, as well as distributing information to the 26,000 workers in the zone. In May 2020, Jiangsu announced its plan to upgrade the Cambodian zone and connect it more integrally with BRI operations in Southeast Asia and existent zones in the province. In Jiangsu's vicinity, other coastal provinces also passed new planning and projects to expand their BRI implementation.⁵²

In inland China, local governments began to revive and expand projects in the name of BRI as soon as they contained the pandemic in March. For example, Shaanxi published the provincial

⁵¹ “Jiangsu zhongdian jingwai yuanqu gongzhu ‘yidai yilu’ yanxing yuanqu yiqing fanxian” [Jiangsu's overseas economic zones jointly built a virus control and preventive line in the BRI region], *Xinhua Net*, February 6 (2020).

⁵² “‘changsanjiao’ yitihua + yidai yilu” [The Yangtze River Delta Integration + One Belt and One Road], *One Belt and One Road Network*, August 20 (2020). Available: <https://zhuanlan.zhihu.com/p/197713809>.

2020 Belt and Road Action Plan. It proposed to upgrade its pivotal position in regional commerce and logistics.⁵³ The Plan highlights Shaanxi's proposal to become "the Belt and Road Aviation Experimental Site" in China and promote e-commerce with the BRI markets. Shaanxi's capital city Xi'an is the starting point of the Belt. The province offered to expedite automation and digital railways to integrate major domestic and regional railways arteries and ports in China, as well as construct more linkages with Central and Southeast Asia to expand market access there. Inland cities such as Chongqing, Chengdu, and Urumqi likewise have also proposed localized BRI action plans after the pandemic.⁵⁴

The SOEs have been the main actors in the BRI; they have developed extensive supply networks with subsidiaries in China and abroad. When the COVID-19 broke out, their priority was to "ensure the operation of global supply chains and stabilize international trade and capacity cooperation."⁵⁵ For example, Hong Kong Merchants' Group recovered, to the extent possible, production in overseas projects in January and tried to maintain its 2019 volume. China Railways Heavy Manufacturing continued its production schedule in China. It ensured its shipment of heavy machinery to Turkey to fulfill its parent company's tunnel projects in Turkey and Russia. China Chemical's subsidiaries are essential exporters of chemical products used in agriculture, medicine, textile, and fertilizers in many countries. They could not stop their operation, and throughout the virus outbreak, they kept the production schedule. To ensure supplies to China Energy Engineering

⁵³ "Shaanxi sheng yinfa yidai yilu jianshe 2020 nian xingdong jihua" [Shaanxi Province Passes its 2020 Belt and Road Action Plan], Shanghai Government website, April 1 (2020). Available: <https://www.yidaiyilu.gov.cn/xwzx/dfdt/121633.htm>.

⁵⁴ "shiqiang chengshi de yidaiyilu" [Top Ten Cities' Belt and Road Planning], *One Belt and One Road Network*, July 28 (2020). Available: <https://zhuanlan.zhihu.com/p/169425188>.

⁵⁵ "yiqingxia de yidai yilu yanxian jingwai chanyeyuan" [Belt and Road Industrial Parks during the Corona], *Sohu News*, March 6 (2020). Available: https://www.sohu.com/a/378010929_100014689.

DRAFT

Corporation's project in Poland, Huaye Iron & Steel Group retained 150 workers to work overtime throughout the crisis.

Similar patterns occurred in China Electronics Corporations and its subsidiaries in Shenzhen, China Railways Materials' operation in Hungary and Serbia, China Nonferrous Metal's projects in Congo, China Huadian Corporation's hydropower projects in Cambodia, Bali, and Vietnam, China Electricity's wind power project in Kazakhstan, and China Communications Construction's port project in Angola. In particular, China Construction Materials ensured its principal subsidiaries to continue their production, signed new contracts, and pledged to complete 110 overseas projects. The logistics are also critical to ensure the SOEs' global supply chain. China COSCO, to maintain on-time export shipments and conduct coronavirus control at domestic ports, reoriented its online and offline operation and made it more efficient. Furthermore, it enhanced its shipping networks worldwide, particularly in South Asia, Southeast Asia, Latin America, and Africa. China-Europe Railways increased its shipment and trips to ensure stable trade and production of foreign companies in central China.⁵⁶

Companies with less pressure to fulfill supplies to other SOEs have a more relaxed production schedule during the virus outbreak. For example, China Metallurgical Group extended its vacation length in its subsidiary in Thailand, and its regulator in Beijing employed remote tools to monitor its quality control and maintain productive capacity. The headquarter also sent a manager from an unaffected country to the site to recover 50% of production capacity. Furthermore, Chinese SOEs do not have control over the fallout of the pandemic in China and abroad. Many of their BRI projects were paused due to China's lockdown and then due to the recipients' virus crisis.

⁵⁶ “yiqing yingxiang zhongguo zai quanqiu chanyelian de diwei ma?” [Will the Virus Shake China's Position in the Global Supply Chain?], *Sohu News*, March 24 (2020). Available: https://www.sohu.com/a/382617140_120059355.

China Railways, for example, paused its \$6 billion speed railway project in Indonesia and ordered the Chinese workers going home for Chinese New Year not to return to Indonesia in February. A report from Myanmar in April shows that the pandemic has shifted the demand for BRI projects in the country. Instead of railways, ports, and power plants, Myanmar wants to develop health-related infrastructure, supplies of health products, and public health and management services. In these areas, China has a comparative advantage; but the two sides need to renegotiate and adjust the BRI implementation.⁵⁷

In summary, actions by Chinese economic actors, adopted to ensure the BRI's continual operation, demonstrate that as an economic globalization program, the BRI policy has had a lasting impact. In the past six years, the SOEs and local governments have expanded their involvement and roles in the BRI implementation in China and abroad. Moreover, as these actors are connected within China and held mutually responsible, the BRI projects tend to be more sustainable and are more likely to survive the shock and aftershock of the COVID-19 pandemic. However, the pandemic has precipitated changes in China's development priorities, with health, technology, and the digital economy emphasized from the top to the localities. In the meantime, it has caused shifting demands in the recipient countries, with new calls for health and scientific projects.

Government Policy Stabilizes the BRI

In January and February, Beijing's main task was to ensure the fulfillment of its overseas orders and supply chains as much as possible while fighting the virus infections. MOFCOM started the process early and passed down documents to facilitate industry and encourage e-commerce. In late January, MOFCOM created a special team to implement the Belt and Road during the COVID-

⁵⁷ Bob Tseng, "The COVID-19 and BRI in Myanmar," speech at International Finance Forum, 5th annual meeting, Beijing, May 6, 2020.

19. By late February, the team has completed coordination with all provincial governments, Chinese companies, and foreign aid personnel. In total, MOFCOM passed twenty policies to “stabilize foreign trade and foreign investment as well as to maintain consumption,” focusing on 1) bringing licenses, crediting and other paperwork online, 2) reducing tariffs and creating networks of sales in medical supplies, and 3) directing local governments and companies to revive production as soon as possible.⁵⁸

Other agencies led efforts in providing incentives and subsidies to help companies, particularly the SOEs. For example, the People’s Bank of China (PBOC), Ministry of Finance (MOF), and other financial institutions passed measures to increase loans and insurance to companies, as well as paused loan repayment temporarily. MOF, in particular, offered 50% loan subsidies for companies experiencing significant disruption from the COVID-19. MOF and Taxation allowed donations to be tax-deductible and allowed industries suffering the most from the crisis to defer tax payments from five years to eight years. NDRC, in turn, passed electricity fee reduction to companies and launched a “green channel” for corporate bonds to expedite the application and extend the duration. Bureaus of Taxation and Customs then applied special tariff rates for medical equipment imports and exports. In recent months, cross-cross agency efforts to save and stabilize globalization in China continued and intensified significantly.⁵⁹

Furthermore, Beijing’s efforts to stimulate the domestic economy by expanding cross-border e-commerce and promoting “new infrastructure” projects in China have helped sustain the BRI and adapt future BRI implementation to such development reorientation. On e-commerce, Beijing

⁵⁸ “tuanjie yixin zhuhao yiqing fankong, tuijin yidai yilu jianshe” [United in Virus Prevention and Control, Promote the Construction of the Belt and Road], *zhongguo shangwu xinwen wang*, February 27 (2020). Available: www.comnews.cn/article/ibdnews/202002/20200200038212.shtml.

⁵⁹ “10 buzhang dati: xiabannian zheme gan” [Ten Central Ministers Reported their Work Plans for the Year], *One Belt and One Road Network*, July 30 (2020). Available: <https://zhuanlan.zhihu.com/p/187315460>.

aggressively promoted e-commerce experiment zones across China to search for new export channels in China and abroad. Such zones carry many incentives, such as reduced and deferred tariffs, favorable tax rates in exports, and better infrastructure and services. The first five e-commerce experiment sites started in 2015, and in 2019 the number has reached 59. The growth rate of e-commerce trade was astonishing in the four years, with an average annual rate of 49.5%. After COVID, in April 2020, Beijing approved 46 new e-commerce zones and supported cross-border e-commerce offline industrial parks. It seeks to create new industrial clusters that involve traditional business online connectivity and trading companies going global and establishing international storage sites. In July, Beijing designated ten cities as new experimental zones for cross-border B2B (business to business) e-commerce, offering companies more incentives and administrative support.⁶⁰

The “New Infrastructure” Planning—different from traditional infrastructures such as power plants, railways, and ports—was considered before the COVID-19. Now facing economic recession, it came out quickly in April 2020 and mobilized local governments and financial institutions to come up with localized new infrastructure proposals, projects employing information technology, digital networks, big data, and artificial intelligence. For example, in Zhejiang, the provincial government enhanced its support for the cloud-based economy and facilitated small and medium-size companies’ internet-enabled businesses. In Chengdu, in April, a supercomputer and data-processing center was completed, which will provide full coverage over western China in the digital economy and information technology. The new infrastructure planning is still in the early implementation stage, yet given the close connectivity between BRI-internal

⁶⁰ “kuajing dianshang xinzheng chutai, zhengshi maijin B2B shidai” [The New Ecommerce Policy Ushers in the B2B Era], *One Belt and One Road Network*, August 3 (2020). Available: <https://zhuanlan.zhihu.com/p/162880331>.

and BRI external, localized new infrastructure projects are likely to boost digital and technology-enabled applications in the BRI shortly.⁶¹

In May, agencies in Beijing publicized that China's exports and imports with BRI countries increased by 3.2% in the first quarter. The rate was not high but was more than 9.6% higher than average trade in China during this period. Investment in the BRI increased by 17%, against an overall decline in investment in other destinations.⁶² Beijing affirmed its goal of constructing high-quality BRI in the future, focusing on three aspects 1) a network of free trade zones along the BRI routes, 2) establishing the health BRI and digital BRI, and 3) soft and social cooperation between China and the BRI countries.⁶³ Such a message was clear in President Xi's speech, the State Council's Government Work Report, and multiple communications by central agencies and Chinese media at the "Two Sessions" held in late May 2020. Furthermore, ministers of NDRC, MOFCOM, and Ministry of Foreign Affairs, representing domestic industry, international commerce, and diplomacy, all pledge that China will strive to promote the Health Silk Road and Digital Silk Road construction with BRI countries.⁶⁴

Scientific BRI and Soft Institutions

Collaborations among scientists are the "softest" illustrations of BRI in the last few years. The COVID-19 has enhanced many of the ongoing soft BRI institutions in science and education. On March 11, the BRI Science & Innovation Consortium, based at Shanghai Jiao Tong University,

⁶¹ "Top Ten Cities' Belt and Road Planning."

⁶² Tian Huifang, "Greening the Belt and Road," *China Daily* June 5 (2020). Available: http://eniwep.cssn.cn/hot_topics/202006/t20200607_5139798.shtml.

⁶³ "yingdui yiqing, yidai yilu zenyang falì" [The Belt and Road Help Overcome the Pandemic], *zhongguo yidai yilu wang* [China One Belt and One Road Network], May 24 (2020). Available: <https://zhuanlan.zhihu.com/p/143372327>.

⁶⁴ "teshu shiqi de quanguo lianghui" [The Special "Two Sessions"], *One Belt and One Road Network*, May 28 (2020). Available: <https://zhuanlan.zhihu.com/p/144428181>.

held an emergency online conference. It had attendance from universities in Russia, Thailand, Pakistan, Serbia, and other institutions in China. It discussed and exchanged ideas among member institutions regarding how to help fight the virus outbreak in their countries. Shanghai government S&T director spoke at the meeting and urged the consortium to pioneer joint measures in public health prevention and pave the foundation for establishing an international collaborative mechanism. Universities in China shared their emergency measures and research findings. The Shanghai-sponsored field hospital in Wuhan also participated in the remote conference and introduced its experiences. The consortium chairperson, Dean of Sciences at Shanghai Jiao Tong University, disseminated Shanghai's procedures and mechanisms to ensure research and teaching while supporting other agencies' efforts to contain the virus.

The Shanghai-based consortium is but one among many soft institutions in the BRI that had been spearheaded by Chinese universities and scientists in recent years.⁶⁵ The process shows how universities in China improvised programs in the BRI and built coalitions inside the country and with counterparts in the BRI countries. In 2016, leveraging the BRI, Shanghai Jiao Tong University launched the executive program on University S&T Innovation System Development and received the endorsement from the Ministry of Science and Technology in Beijing. The first cohort recruited members from 14 university leaderships in eight Belt and Road countries, including Pakistan, Philippines, Kazakhstan, Sudan, Thailand, India, and Indonesia. At the inaugural program, the Ministry of Education S&T director, Shanghai government S&T director, representatives from Shanghai's foreign affairs office, and consulates of BRI countries attended

⁶⁵ Editorial, "Build a Sustainable Belt and Road," *Nature*, May 1 (2019). Available: <https://www.nature.com/articles/d41586-019-01309-0>.

and showed their support. The executive program lasted for only two weeks, but established networks that included S&T communities in China and the partner BRI countries.⁶⁶

Following the executive program, the BRI Science & Innovation Consortium officially came to operation in October 2016. The first signed members consisted of prominent research institutions based in Shanghai, China's technology transfer center (Shanghai headquarters), a new energy technology company, universities, S&T centers, and companies from Singapore, Thailand, Egypt, Russia, Belarus, Bulgaria, Serbia, and others. It focused on coordinating mechanisms among universities, research institutions, and high-tech companies. Based on this consortium, Shanghai expected to play a leading role in S&T cooperation between China and the BRI region.⁶⁷ In September 2017, the consortium held its inaugural summit in Shanghai and published the Shanghai Declaration on Belt and Road S&T Innovation. Moreover, at its third annual forum in 2019, more than 150 representatives from 20 countries attended. At the forum, Shanghai government's S&T director remarked, "the consortium is an important experiment for Shanghai to become the accelerator of S&T component in the BRI strategy," urging members to participate actively and pioneer science and innovation in the BRI countries.⁶⁸

Scientists in Beijing have also been active in establishing networks in the name of BRI. Chinese Academy of Sciences (CAS) spun off several scientific programs that have grown fast. In 2014, CAS upgraded its collaboration with Uzbekistan's Ulugh Be Astronomical Institute and

⁶⁶ "kejibu gaoxiao keji chuangxin tixi jianshe yu guanli guoji peixunban ji yidai yilu keji chuangxin lianmen zhengshi qidong" [MST Opens the BRI Training Program on S&T Innovation and the Inauguration of the Belt and Road S&T Innovation Consortium]. *Executive Training Center*, Oct 21 (2016). Available: <http://edp.sjtu.edu.cn/news/express/27750.html>.

⁶⁷ "yidai yilu keji chuangxin lianmen zai shanghai zhaokai shoujie fenghui," [Belt and Road S&T Innovation Consortium Held Its First Summit in Shanghai], *China News*, September 13 (2017). Available: <http://www.chinanews.com/m/gn/2017/09-23/8338623.shtml>.

⁶⁸ "2019 yidai yilu keji chuangxin lianmeng guoji yantaohui shanghai juban" [the 2019 Belt & Road Science and Innovation Forum Held in Shanghai], *Economics Daily*, September 27 (2019). Available: <https://baijiahao.baidu.com/s?id=1645788912149063536&wfr=spider&for=pc>.

established the Alliance of International Science Organizations in the Belt and Road Region (ANSO). By 2018, more than 20 nations and 37 academic institutions had signed on the ANSO Agreement. In 2019, an additional 15 institutions joined. Drawing on its networks of research operations in Africa, South America, South Asia, Southeast Asia, and other parts of the world, CAS pushed for the formation of the digital Silk Road. In public health, CAS started collaborative research in the BRI regions early on. In 2016, CAS scientists started to research and cooperation in infectious diseases in the BRI regions, arguing that public health was not only a “part” of the BRI but a guarantee of the healthy development of the BRI. They started to build an international network on infectious disease and planned to complete it and share it among the members by 2020.⁶⁹

To rival scientific initiatives in Shanghai and Beijing, China’s Medical Science University in northeastern China organized the Belt and Road International Medical Education Alliance (BRIMEA) in May 2018 and invited participants from 49 medical education institutions from 15 BRI countries. At BRIMEA’s inaugural conference, the members signed a cooperation framework agreement. They publicized the Shenyang Declaration, in which members pledged to conduct joint research and education based on long-term mutual interest. It also pledged to conduct joint projects in public health and health professional training in the next three years.⁷⁰ In 2019, the BRIMEA held its second forum and published a series of documents for joint education and research in medical areas in the BRI areas.

⁶⁹ Yi Si, “xiaochu chuanrangbin yinhuan, baozhang yidai yilu gonggong weisheng” [Eliminate Hidden Dangers of Infectious Diseases and ensure public health in the Belt and Road], *Chinese Academy of Sciences Publication*, 33: 2 (2018), 122-125.

⁷⁰ “yidai yilu guoji yixue jiaoyu lianmen zai shenyang chengli” [One Belt and One Road International Medical Education Alliance Established in Shenyang], *Renmin Daily*, May 28 (2018).

DRAFT

Shortly after the COVID-19 outbreak, BRIMEA disseminated among its member institutions the Initiative on Jointly Combating Corona. It asked member institutions to share information and research output to help each other fight against the pandemic, expedite research on test kits, immunization, and drugs, and come up with joint research programs for innovation in medical equipment and supplies. In response, all member institutions telegraphed to the BRIMEA headquarter and stated that “virus has no borders and international society has to fight it together.”⁷¹ In March, BRIMEA started to rally member institutions in proposing projects and programs that would facilitate student exchange, faculty visits, joint education, and research programs. In May, it passed a new initiative on joint remote education in medical science in the Belt and Road regions, seeking to integrate and share educational resources and pedagogical experiences, increase the international visibility of the consortium, and achieve internationalization of medical training and research.

To summarize, the BRI is more than China’s strategic policy; since its launch, Chinese actors have taken the program in their own hands and formed networks and associations in economic, social, and scientific areas. Hence, in the last six years, the BRI has become China’s globalization platform incorporating different interests and groups. Should the COVID-19 make specific sectors less desirable from the recipient’s point of view, other sectors will likely step up. Similarly, should Chinese workers be less welcome in recipient societies, the scientists and technologists helping education, research, and innovation in the BRI countries are likely to grow.

However, when the COVID crisis is eventually over and global production revives, the interest and investment in hard infrastructure and industry in the BRI are likely to renew.

⁷¹ “yidai yilu guoji yixue jiaoyu lianmen haiwai chengyuan wei zhongguo kangji yiqing jiayou” [Foreign Members of the Belt and Road Medical Education Consortium Sent Support of China’s Combat against the Corona Virus], March 26 (2020). Available: www.cmu.edu.cn/info/1019/5932.htm.

DRAFT

Infrastructure, hard or soft, is needed for sustainable development and industrialization around the world. In June and July, for example, China restarted construction of large infrastructures in railways, highways, hydropower, and electricity in Pakistan, while at the same time, both sides emphasized CPEC's digital infrastructure projects.⁷²

Conclusion

China's project of the century—the Belt and Road Initiative—was driven by “domestic” priorities to deflect the U.S-China rivalry, search for alternative diplomatic space, and find new opportunities for its industry. During the implementation, the national agencies, think tanks, local governments, companies, and universities have conducted programs in their interest and expertise. Before the COVID outbreak, developments in 2019 suggested that the BRI remained as China's overarching globalization platform, and softer and more sustainable linkages have emerged between China and abroad.

The COVID pandemic presented challenges to the BRI in early 2020. On the one hand, bringing the Chinese economy to a halt, it reduced Beijing's capacity to invest externally. On the other hand, it greatly intensified the U.S-China rivalry; and at the societal level, anti-China public opinions reached new lows in both BRI and non-BRI countries. Are these challenges enough to break the BRI and push China to turn inward-looking? What are the domestic drivers of the BRI in post-COVID China? How might the BRI implementation change in the post-COVID world?

⁷² “duoge xiangmu zai zhongba jingji zoulun chongqi” [Many Projects in CPEC are Restarted], *One Belt and One Road Network*, July 21 (2020). Available: <https://zhuanlan.zhihu.com/p/162087505>; “zhongba jingji zoulun, suzi jijian henre” [China Pakistan Economic Corridor and the Digital Infrastructure Emphasis], *One Belt and One Road Network*, July 24 (2020). Available: <https://zhuanlan.zhihu.com/p/163462575>.

DRAFT

In this paper, analysis of Chinese discourses shows that policy elites in Beijing support the BRI to continue and renew after COVID-19. To strategists, China's relations with the U.S. and Anglo-Saxon democracies have gone so badly that a "new Cold War" is inevitable. In this geopolitical context, the BRI—China's alternative framework of globalization—is instrumental in deflecting the escalation of great-power rivalry in the post-COVID world. On the other hand, China's ambitious thinkers view Beijing's capability and advantage to be enhanced by its effective handling of the pandemic. They believe and advocate for China to play a leadership role in the world, particularly in health, technology, and crisis management. Finally, most Chinese policy elites are sanguine about difficulties in China's economic recovery and recognize that the nation's future trajectory depends on global well-being. Diplomats and economists in this group urge China to engage and help the world fight the pandemic and economic recession. The BRI represents an essential venue for China's global engagement.

Just as important, analysis of Chinese actions demonstrates that the BRI, as China's overarching globalization strategy in the recent decade, is being continued by technocratic, commercial, and societal groups—the "middle elites"—after the COVID-19 outbreak. Specifically, SOEs that have supply chain commitment in BRI projects have tried to ensure satisfactory completion of the obligations and maintain stable business as much as possible. Local governments, facing the pandemic-economic shock, strive to maintain overseas business and expand new projects locally in the name of the BRI. While the global pandemic has interrupted much of the economic activities in China and abroad, the BRI's scientific and soft institutions, such as health, technology, education, and others, have expanded and are likely to grow faster in the post-COVID world.

DRAFT

The paper zooms in COVID-19's critical cycle in China—from the outbreak to containment, economic reopening, and the return of political life—and sheds light on China and global politics. Firstly, China's globalization agenda, in which the BRI is an important platform, is more resilient than external observers perceive. The Chinese policy actors—strategists, diplomats, and economic technocrats—have embraced and benefited from globalization's deepening. Thus, while hawkish rhetoric in Beijing and Washington exchange attacks, main policy options in Beijing remain 1) strategic rebalancing to de-escalate conflicts, 2) expanding different areas of diplomacy and globalization, and 3) recognizing the mutual dependence between China and the world. Furthermore, actions by companies, local governments, and scientists and technologists provide the foundation for sustainable globalization and the BRI. Like policy actors in Beijing, the sub-national actors have come up with projects, programs, and linkages in the BRI's name or on the BRI sites. They are not throwing away these efforts; their vested interests have stayed after the pandemic.

Secondly, in terms of global politics, the COVID-19 has intensified conflictual “high politics”—great-power rivalry—and contentious “low politics”—widespread protests and anxieties in social media. Both trends point to the coming clash and devastating decoupling between China and the United States, as testified by political rhetoric and public opinion polls. The paper underscores the “middle politics”—policy communities and practitioners in diplomacy and economy of their countries. In China, the policy actors have shown a consistent conviction in stable development and robust engagement in globalization, before and after the COVID-19. The practitioners—local governments, SOEs, and scientists—had interests and aspirations in globalization before the BRI; they expanded external activities through the BRI implementation.

During the COVID cycle, their actions helped stabilize China’s global engagement in the BRI and beyond.

The “middle politics”—policy professionals, companies, and subnational actors—also exist in other countries. Because of that, COVID-19 is likely to have a more limited impact on the long-term trend of globalization than hawkish “high” and “low” politics indicate. However, the pandemic will have a significant effect on globalization’s priorities, as some sectors becoming more desirable than others and some areas becoming more feasible than others. The Belt and Road will have to readapt to the changed global environments and China’s domestic circumstances in the post-COVID world.

Table 1. Multifaceted Milestones in the BRI in 2019

Activities & Actors	
International conferences and forums	<p>The Belt and Road 2nd Summit: Publish the guideline on “Jointly Construct One Belt, One Road Initiative: Progress, Contribution, and Vision.”</p> <p>Dialogue on Asian Civilizations: civilizational construction in the BRI</p> <p>Fourth BRI Forum held in Hong Kong, attended by more than 5000 participants</p> <p>The BRI Advisory Council held a second meeting on The Belt and Road Forum for International Cooperation</p>
Top-level commitment	<p>State Council Premier Central Government Work Report highlighted the BRI five times.</p> <p>BRI Small Leading Group published a guideline on “Jointly Construct One Belt, One Road Initiative: Progress, Contribution, and Vision.”</p> <p>CCP Central Economic Work Meeting announced “solidly advance the joint development of the Belt and Road” to enhance investment policy and services in the BRI projects; improve China’s openness to maintain foreign trade and attract inbound foreign investment</p> <p>Xi Jinping New Year’s Address: Actively and jointly build the Belt and Road</p>
Domestic development	<p>Central Committee and the State Council: The Great Bay Area Development is “BRI’s important pillar.”</p> <p>The State Council published new foreign capital negative list, reduced from 45 to 37</p> <p>NDRC announced, by 2025, planning to realize economical, efficient, convenient, green, and safe transportation; by 2035, to establish world-class customs, logistics, and infrastructure connectivity in western China</p> <p>The State Council announced to increase the free trade experiment zone to 18, and all coastal provinces are now FTEs.</p> <p>Ministry of Railways published China-Europe Railways High-Quality Development Charter.</p> <p>AIIB to issue the first loan to China with a sovereign guarantee: US\$0.5 billion loans to energy upgrade from coal to gas project in the Beijing-Tianjin-Hebei region</p> <p>The State Council announces to increase China’s Ecommerce Experiment Zones to 59</p> <p>Shanghai held the second International Goods Expo, attended by more than 150 countries and over 3000 companies.</p>
New linkages	<p>People’s Daily established the Belt and Road News Cooperation Union.</p> <p>China’s National Lawyers’ Association held BRI Lawyers’ Consortium in Guangzhou, with members from 85 countries.</p>

Source: compiled and grouped by author.