

## Belt and Road Case Studies Workshop

**Date: 18 February, Monday**

**Venue: IAS 2042**

This event is by invitation only. All HKUST IEMS Faculty Associates are invited. The workshop will include presentations of case studies of the implementation of the Belt and Road Initiative in 5 countries in different regions of the world. The goal of the workshop is to intensively discuss paper drafts for preparation for submission as a symposium in an academic journal. Article drafts will be circulated ahead of time to all registered participants, and sessions will include brief 15-minute presentations by authors, discussant comments, and open discussion.

Time	Presentations
8:55- 9am	Welcome Remarks by Prof Albert Park, Director of HKUST IEMS
9-10am	<b>China, Ethiopia and the Significance of the Belt and Road Initiative</b> by <b>Prof Barry Sautman</b> , Visiting Professor of Social Science, HKUST
10-11am	<b>The China Pakistan Economic Corridor: 'Game Changer' or 'Imperial Colonialism'</b> by <b>Prof Naubahar Sharif</b> , Associate Professor of Social Science, HKUST
11-11:15am	Coffee Break
11:15- 12:15pm	<b>China's Maritime Silk Road: Case Studies from Indonesia</b> by <b>Dr Angela Tritto</b> , HKUST IEMS Post-doctoral Fellow
12:15pm – 1:15pm	Lunch
1:15pm- 2:15pm	<b>China's Belt and Road in Eurasian Heartland: Kazakhstan Country Case</b> by <b>Dr Gaukhar Nurgalieva</b> , Head of Eurasian Studies Lab, SKOLKOVO IEMS
2:15pm- 3:15pm	<b>China's Belt and Road Initiative: A Russian Perspective</b> by <b>Ms Anastasia Lazariva</b> , Researcher at SKOLKOVO IEMS
3:15pm – 3:30pm	Coffee Break
3:30-4:00pm	Wrap-up

## **Presenters Bios**

### **Anastasia Lazariva, Institute of Emerging Market Studies, SKOLKOVO School of Management**

Anastasia Lazariva is a researcher at the SKOLKOVO Institute for Emerging Markets Studies. Currently, Anastasia concentrates on studying foreign direct investment in Russia, Central Asia and the Caucasus and socio-economic transformation of the Eurasian continent. Anastasia holds a Bachelors degree in international relations with the focus on Russian foreign policy from the Diplomatic Academy of the Russian Foreign Ministry and is pursuing a graduate degree in international law.

### **Gaukhar Nurgalieva, Institute of Emerging Market Studies, SKOLKOVO School of Management**

Gaukhar Nurgalieva is currently the Head of the Eurasian Studies Lab at the SKOLOVO Institute of Emerging Markets Studies (IEMS). Previously, she worked at the Eurasian Economic Commission and held senior positions in state-owned enterprises of the Republic of Kazakhstan. She holds a Master of Arts in International Relations from the Fletcher School of Law and Diplomacy and Bachelor in Business Administration from the George Washington University.

### **Albert Park, Institute for Emerging Market Studies, Hong Kong University of Science and Technology**

Albert Park (Ph.D., Stanford University) is Director, Institute for Emerging Market Studies, Chair Professor, Division of Social Science, Professor, Department of Economics and Division of Public Policy, and Senior Fellow, Jockey Club Institute for Advanced Study at HKUST. He is a development and labor economist who is an expert on China's economic development. Professor Park is a Research Fellow of the Centre for Economic Policy Research (London), the Institute for the Study of Labor (IZA, Bonn), the International Growth Centre (Oxford/LSE/DFID), and the Human Capital and Economic Opportunity Working Group (Chicago). In recent years, he has published articles in leading economics journals on firm performance, poverty and inequality, migration and employment, health and education, and the economics of aging in China. He currently serves on the editorial boards of the *Journal of Comparative Economics*, *Oxford Economic Papers*, *World Bank Economic Review*, and *China Economic Review*. He previously held faculty appointments at the University of Michigan and Oxford University, and has consulted frequently for the World Bank.

### **Barry Sautman, Division of Social Science, the Hong Kong University of Science and Technology**

Barry Sautman is a political scientist (Ph.D. Columbia University) and lawyer (JD UCLA, LL.M. NYU) who primarily teaches international law, China/US relations, contemporary China, ethnicity, and nationalism. His research areas comprise ethnic politics in China and comparative perspective, and China-Africa links, including political economy, labor rights, migration between China and Africa and interactions between Chinese and Africans, representations and perceptions of China and Chinese in Africa, and the supposed strategic rivalry between the US and China in Africa. He has published several monographs and numerous journal articles, as well as print media op-ed pieces and online contributions.

## **Naubahar Sharif, Division of Social Science, Hong Kong University of Science and Technology**

Naubahar Sharif (Ph.D., Cornell University), is Associate Professor of Social Science and Public Policy. His research interests include the intellectual history of the innovation systems conceptual approach; science, technology, and innovation policy in Hong Kong; the 'Belt and Road' initiative; and economic linkages within the 'Greater Bay Area' of Southern China. Naubahar has been awarded both 'Public Policy Research' (PPR) and 'General Research Fund' (GRF) grants by Hong Kong's Research Grants Council (RGC). He has published numerous articles in leading journals including *Research Policy*, *Science and Public Policy*, *International Journal of Technology and Management*, and *Science, Technology and Human Values*.

## **Angela Tritto, Institute of Emerging Market Studies, Hong Kong University of Science and Technology**

Angela Tritto (Ph.D., City University of Hong Kong) is a Postdoctoral Fellow at IEMS working on a Hong Kong SAR government grant on the Belt and Road Initiative. Her research interests include management of innovation, environmental policies, heritage management, and sustainable development. She is interested in developing tools to blend conservation and environmental management for both the public and private sector. Recent publications include a paper on eco-innovations in Jiuzhaigou National Park in China and a book chapter on collaborations in the management of George Town World Heritage Site in Malaysia.

## **Abstracts**

### **China, Ethiopia and the Significance of the Belt and Road Initiative**

Barry Sautman and Yan Hairong

China's Belt and Road Initiative (BRI) is a mobilization that mainly focuses on infrastructure building and investment in developing countries. A global BRI discourse has recently emerged, with Chinese and US poles. The Chinese government and media portray it as wholly positive and mutually beneficial and many BRI participant states affirm that position. The US government, some of its allies and much of US media characterize the BRI wholly negatively and in terms of a single issue: it is all about debt traps that result in the loss of developing country sovereignty.

Much of the BRI discourse is about Africa. Ethiopia is the continent's model BRI country, because of elaborate Chinese infrastructure building and manufacturing. Based on documentary research and fieldwork, we seek the meaning of the BRI through the Ethiopian case. We examine major Chinese construction and production projects that may relate to building the predicates of industrialization and enhancing import substitution and exports. We also discuss local criticisms of Chinese activities that challenge the wholly positive view of the BRI, but that generally do not affirm the US-generated negative narrative. We find that the main significance of the BRI is that it is a Chinese state guarantee that even when the capital flow from China to non-BRI states is being curbed, as it is now, the flow to BRI states will still be encouraged and Chinese infrastructure building and investment will largely comport with demands of host country elites.

## **China's Maritime Silk Road: Case Studies from Indonesia**

Angela Tritto

With its historical leadership role in ASEAN and the largest economy in the region, Indonesia is central to determine China's 21<sup>st</sup> century Maritime Silk Road's outcome in Southeast Asia. The announcement of the initiative in Jakarta was by no means coincidental. The ensuing election of President Widodo and the launch of his similar "Maritime Toll Road" cemented a new era of China – Indonesia relations. This study examines the changing patterns of these investments through two case studies based on first-hand data: the Jakarta-Bandung High-Speed Rail, and the Morowali Industrial Park. Results show how the high politicization of Chinese investments led to unique deals demanding much longer-term commitments from Chinese companies. Their newness to Indonesia's environment and culture proved a challenge both to them and to the Indonesian government, whose policies are quickly adjusting to channel this new flow of investments to benefit the country's interest.

## **The China Pakistan Economic Corridor: Implementing the Belt and Road Initiative**

Naubahar Sharif

China Pakistan Economic Corridor (CPEC) is arguably the biggest bilateral arrangement under the Belt and Road Initiative (BRI). In Pakistan, it has been labelled as a "game changer" (positive) to "imperial colonialism" (negative). Our research, based on extensive quantitative and qualitative field research conducted in Pakistan over two years, shows the reality as falling in between those two ends of the spectrum. While the potential of CPEC is tremendous (and Pakistan has indeed benefited in various ways from increased Chinese investment since 2013), there are just as many significant challenges that CPEC must overcome if it is to meet its initial promise. In this country case study, we examine the most salient issues that have contributed to the success of CPEC thus far and challenges that must also be resolved if the full promise of CPEC is to be realized. In particular, we dive deep to investigate Pakistan's readiness to absorb technological competencies for leap-frogging by collaborating with its decades old ally.

## **China's Belt and Road in Eurasian Heartland: Kazakhstan Country Case**

Gaukhar Nurgalieva, Alexey Kalinin, and Anastasia Lazariva

Rich in natural resources, bordering China's Xinjiang Province and other Central Asian states, and with maritime links with Iran and Azerbaijan via the Caspian Sea, Kazakhstan is an ideal BRI target and China's important partner in the region. Since the Soviet Union collapsed, China has sought to obtain a leading role in cultivating and developing energy industries in Kazakhstan and using the country as a platform for cooperation with Central Asia. Not coincidentally, President Xi chose Astana to announce the BRI and President Nazarbayev was quick to respond positively to the opportunity. For BRI, Kazakhstan is the crucial link with Europe and the Middle East. This study based on quantitative and qualitative analysis of the country level data and two project case studies: the Khorgos Dry Port and the Astana International Finance Center, shows how cooperation patterns between the two states have changed the investment environment. BRI investments support the plans of national leaders to transform the country into the most important infrastructure and financial hub in the region, potentially making the country one of the major beneficiaries of the BRI. Although the cooperation

is gaining momentum, there remains a significant gap in public opinion as many people are still cautious about large Chinese financial flows and its impact on the country's economy.

## **China's Belt and Road Initiative: A Russian Perspective**

Alexey Kalinin, Oleg Remyga, and Anastasia Lazariva

In recent years the Sino-Russian relations have become closer as the changing geopolitical context forces both countries to seek new allies. Both China's and Russia's deteriorating relations with the Western world and need of diversification of economic ties align them politically and economically after an almost 60-year stalemate in the relations. Russia has become the main destination of Chinese FDI in Eurasia, an important supplier of the mineral resources and energy, a possible alternative trade route to Europe, and a growing market for Chinese products. This study provides quantitative and qualitative data analysis of the Chinese investment strategy in Russia, focusing on two project case studies: the Power of Siberia Pipeline and land leases in Siberia. The research shows how significantly political ties between the two states have improved, leading to the implementation of economically and socially questionable and politicized projects. But for Russia the Pivot to the East, especially to China, currently is one of the very few economic and political opportunities despite all of the challenges. For China it is not quite the same, as the US remains China's largest trade partner, giving Chinese leaders a strong incentive to get relations with the US back on track, while economic ties with Russia remain relatively unimportant.