The Information Office, International Department of the CPC Central Committee

**BEIJING REVIEW** 

# 

MONTHLY ·



Chinese President Xi Jinping (C, rear), also general secretary of the Communist Party of China (CPC) Central Committee and chairman of the Central Military Commission, addresses a symposium marking the fifth anniversary of the Belt and Road Initiative (BRI) in the Great Hall of the People in Beijing, capital of China, Aug. 27, 2018 (XINHUA)

# Xi pledges to bring benefits to people through Belt and Road Initiative

By Xinhua

resident Xi Jinping on August 27 underlined thorough and solid cooperation under the Belt and Road Initiative (BRI) to benefit people in countries involved and build a community with a shared

future for humanity. Xi, also general secretary of the Communist Party of China (CPC) Central Committee and chairman of the Central Military Commission, addressed a symposium held in the Great Hall of the People in Beijing, marking the fifth anniversary of the BRI.

In the autumn of 2013, respectively in Kazakhstan and Indonesia, Xi proposed the building of the Silk Road Economic Belt and the 21st Century Maritime Silk Road -- the Belt and Road Initiative for short.

Xi stressed that the initiative serves as a solution for China to participate in global opening-up and cooperation, improve global economic governance, promote common development and prosperity, and build a community with a shared future for humanity.

China's trade with Belt and Road countries has exceeded 5 trillion U.S. dollars and outward direct investment has amounted to over 60 billion dollars, creating over 200,000 local jobs, he said.

Xi pointed out that jointly pursuing the BRI was not only aimed at economic cooperation but also an important pathway to improve global development patterns and global governance and promote the healthy development of economic globalization.

"The broad support for the BRI shows aspiration from countries involved, developing countries in particular, for peace and development," Xi said, noting the BRI is an initiative for economic cooperation, instead of a geopolitical alliance or military league, and it is an open and

## **ALSO IN THIS ISSUE**

On its five-year anniversary, the Belt and Road Initiative is thriving despite challenges

PAGE 2

## Five years on

The significance of the Belt and Road Initiative extends beyond roads and railways

## Amending the fundamental law

Modernization, socialism and the people's will at the core of constitutional revision

PAGE 4

Major events in August

PAGE 4

## Factbox: Belt and Road Initiative in five years By Xinhua

In just five years, the Belt and Road Initiative has grown from a concept to a key platform for building a community with a shared future for humanity and a well-received international public goods.

The following are some key facts about it.

- In the autumn of 2013, respectively in Kazakhstan and Indonesia, Chinese President Xi Jinping proposed the building of the Silk Road Economic Belt and the 21st Century Maritime Silk Road.
- The initiative's top-level design has been completed, with basic structures set up. Important resolutions passed by the UN General Assembly and Security Council contain
- As of July 2018, more than 100 countries and international organizations had signed Belt and Road cooperation documents with China, extending the initiative's scope from the Eurasian continent to Africa, Latin America and the Caribbean, and the South Pacific region.
- On Nov. 8, 2014, China announced contributing 40 billion U.S. dollars to set up a Silk Road Fund to support the Belt and Road projects.
- On March 28, 2015, China released the vision and actions on jointly building the Silk Road Economic Belt and 21st Century Maritime Silk Road.
- On Dec. 25, 2015, the China-initiated new multilateral financial institution Asian Infrastructure Investment Bank was established.
- On May 14-15, 2017, the first-ever Belt and Road Forum for International Cooperation was held in Beijing, attended by state and government leaders of 29 countries. The more than 1,600 participants came from over 140 countries and 80 international organizations.
- On Oct. 24, 2017, pursuing the Belt and Road Initiative was written into the Constitution of the Communist Party of China.
- About 95 percent of the 279 items on the outcome list of the Belt and Road Forum for International Cooperation had been accomplished as of July 2018. The 14 others are being worked on.
- As of Aug. 26, 2018, the number of China-Europe freight trains has reached 10,000.
- In the past five years, China's trade in goods with countries along the Belt and Road exceeded 5.5 trillion U.S. dollars. Chinese direct investment in the non-financial sectors of these countries reached 80 billion U.S. dollars.
- In the past five years, China set up 82 overseas economic and trade cooperation zones in countries along the Belt and Road, investing 28.9 billion U.S. dollars and creating about 244,000 local jobs. As of May 2018, China had signed 16 free trade agreements with 24 countries and
- regions, nearly half of which are countries along the Belt and Road. • In the first seven months of 2018, Chinese companies raised investment in 54 countries along the Belt and Road. The 8.55-billion-U.S. dollar newly added investment represented an 11.8 percent increase year on year. New construction contracts along the Belt and Road worth
- 57.11 billion U.S. dollars. • Under the initiative, China has set up 81 education institutions and projects as well as 35

cultural centers in countries along the Belt and Road. In the first half of 2018, China spent over

270 million yuan (around 39.3 million U.S. dollars) on the Silk Road scholarships.

inclusive process rather than an exclusive bloc or "China club."

"It does not differentiate countries by ideology nor play the zero-sum game. As long as countries are willing to join, they are welcome," Xi said.

The next priority of jointly advancing the initiative is to realize its high-quality development, he

Xi asked for efforts to push for progress in Belt and Road projects, especially those delivering real benefits to local people, and keep expanding the market while maintaining the balance of trade.

He advocated a policy system on financial support for the BRI and encouraged non-governmental funds to invest in infrastructure and resource development projects in Belt and Road countries.

Work should be done to boost exchanges in areas of education, science, technologies, culture, sports, tourism, health and archaeology, he said.

Xi ordered authorities to regulate investment activities and pay high attention to forestalling risks overseas.

He also stressed importance of intensifying the CPC's leadership over the joint development of the

Vice Premier Han Zheng, also a member of the Standing Committee of the Political Bureau of the CPC Central Committee and head of the leading group on advancing BRI development, presided over the meeting.



The construction site of a bridge along the China-Laos railway on May 2 in Vientiane, capital of Laos (XINHUA)

## **Belt and Road lifts off**

On its five-year anniversary, the Belt and Road Initiative is thriving despite challenges

By Zhao Lei

The international cooperation based on the Belt and Road Initiative has made great strides since it was first conceived five

The initiative, which aims to promote common development, has won wide recognition from the international community. To date, China has signed cooperation deals with more than 100 countries and regions as well as international organizations to jointly advance the Belt and Road Initiative. The core ideas of the initiative have also been accepted and written into the final documents of many important international organizations and institutions including the UN, the G20, the Asia-Pacific Economic Cooperation and the Shanghai Cooperation Organization.

Along with its broad acknowledgment in the world arena, the initiative is also becoming key to China's taking part in global governance and promoting the building of a community with a shared future for mankind.

#### A new type of public good

Traditional globalization is often referred to as modernization dominated by the West in the world systems theory, but the target of the Belt and Road Initiative is to build a

world of common modernization. The world systems theory was first put forward by U.S. sociologist Immanuel Wallerstein, who considered integration and inequality the two most important features in the capitalist world economic system. In his theory, global division of labor and world commodity exchange relations are the two major factors that bind all members of the international community firmly into a huge net that is the world economy. However, integration does not automatically lead to equalization.

The world economy is still a hierarchical structure consisting of the core, semi-periphery and periphery. Developed countries such as the UK, the United States and Japan are at the core of the system. Some moderately developed countries are on the semi-periphery of the system and a large number of developing countries in Asia, Africa and Latin America, and even some Eastern European countries, are on its periphery. With their superior position, those countries at the core can take advantage of the rest of the countries in both production and exchange.

The Belt and Road Initiative stands for a new type of globalization. With a basic logic of decentralization, it advocates common, fair



and inclusive development. Therefore, the initiative is essentially opposed to colonialism, imperialism and hegemonism. In the past five years, the construction of Belt and Road projects demonstrated a noticeable feature: most projects were built in peripheral or semiperipheral countries, such as the five Central Asian countries and the 16 Central and Eastern European countries. Many of these countries are landlocked nations, like Laos, Ethiopia, the Czech Republic and Kazakhstan. They enjoy few benefits from globalization mostly due to their geographical position. The Belt and Road Initiative, which promotes policy coordination and facilitates connectivity, unimpeded trade, financial integration and people-to-people bonds, can help transform these landlocked nations into land-linked countries, making them indispensable nodes in the globalization grid, which fully embodies the global governance principles of achieving shared growth through discussion and collaboration. The initiative is an excellent example of public goods provided by China to promote world development.

#### **Expanding cooperation** Since the beginning of the year, unsavory

comments about the Belt and Road Initiative have been increasing. In contrast to five years ago when critics accused China of exporting excess capacity and competing with the United States for geopolitical supremacy, negative narratives now focus on alleged violation of international rules and debt-trap diplomacy by China.

While none of these accusations are well grounded, China needs to readjust its approach as it continues to advance the Belt and Road

Many Chinese companies engage in capitalintensive projects overseas such as the Gwadar Port, the Bangladesh-China-India-Myanmar Economic Corridor and the China-Belarus Industrial Park. But infrastructure construction is only part of the story. It is equally crucial for China to invest more in sectors such as education, medical care and agriculture so that the Belt and Road Initiative can benefit local people in a more tangible way.

Furthermore, it is unfair that China's performance is too often judged by only Western research institutes. China needs to conduct more quantitative research into the Belt and Road Initiative based on its own indexes. With inclusiveness serving as one of its most essential traits, the initiative is open to different opinions. It is ill-advised either to exaggerate its importance or to reject its achievements. In addition to research and consultation, it is

imperative that China offer premium financial services. For example, in Africa, insufficient funds have long been a bottleneck constraining development on the continent. China can be a reliable partner as it takes a long view. China's investment goals are to help African countries promote indigenous industries so that they can sustain their development. After building roads, ports and power plants, Chinese companies should work to enhance local production capacity. Products can not only meet domestic demand but can also be exported to earn foreign exchange. Institutions that finance this development should be results-oriented and transparent. **Focused on the future** 

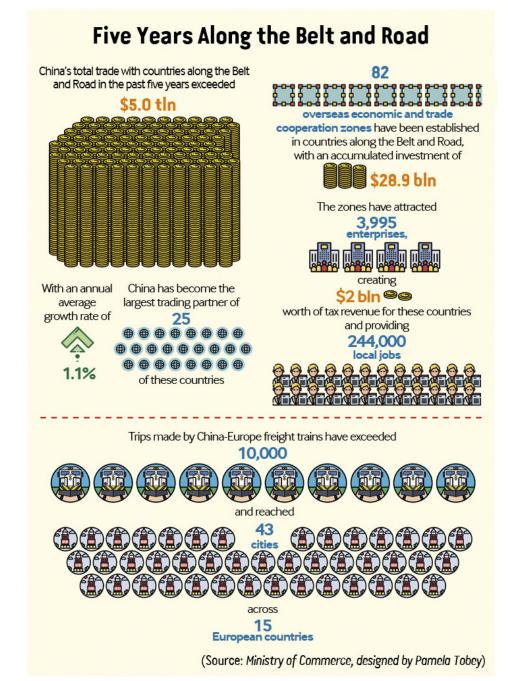
## At a symposium marking the fifth anniversary

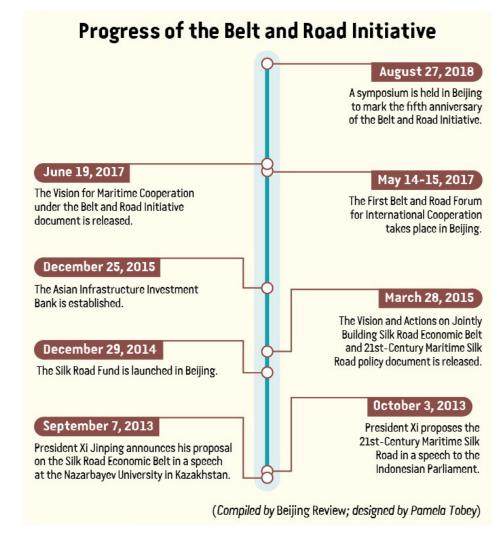
of the Belt and Road Initiative on August 27, President Xi Jinping called for efforts to push for progress in projects that deliver real benefits to local people, and to keep expanding the market while maintaining trade balance. He advocated a policy system of financial

support for the initiative and encouraged non-governmental fund sources to invest in infrastructure and resource development projects in Belt and Road countries. Xi pointed out that jointly pursuing the Belt

and Road Initiative was not only aimed at economic cooperation, but also an important pathway to improve global development patterns and global governance and to promote the healthy development of economic globalization.

Indeed, the Belt and Road Initiative is intended to provide badly needed support to countries along and beyond the ancient Silk Road routes. China, a developing nation that suffered from backwardness and dire poverty in the past, fully understands the concerns of its partners. It will never attempt to subordinate others, but will always seek win-win outcomes, a value that is in the DNA of the Chinese people.







## Five years on

## The significance of the Belt and Road Initiative extends beyond roads and railways

By Kerry Brown



An aerial view of the China-Egypt economic cooperation zone undertaken via the cooperation framework of the Belt and Road Initiative in Ain Sokhna, Egypt, on June 17 (XINHUA)

he Belt and Road Initiative has been with us for five years now. It first manifested itself as the new Silk Road in 2013 when Chinese President

Xi Jinping was traveling first in Central Asia and then in Indonesia. Since 2015, it has been known as the Belt and Road Initiative. Under that name it has been the focus of major conferences and summits in China, as well as across the rest of the world, including many countries and regions that were not originally associated with the idea. Everyone, it seems, wants to know about the Belt and Road Initiative and to work out what it means for

## A fairer role

The practical impact of the Belt and Road Initiative has taken place in two primary domains. The first is that of actual realized projects, such as the construction of infrastructure and working in development schemes with various international partners. The rationale here is that after four decades of rapid industrialization and construction, China is in a position than before to show others how to undertake urbanization and build high speed railways and motorways, among other things. China, as a party to the exchange of knowledge, has usually been figured in ways which place it as a student, and the outside world-Europe, America and the developed world in particular—as its teachers. Now this situation has changed. No other country has lifted so many from poverty and built so much hard infrastructure in such a short period of time. It is now, therefore, the era of China the teacher, not China the student. The Belt and Road Initiative is one way that this is unfolding.

There is also the simple matter of mutual self-interest. China wishes to diversify and expand its overseas markets. It learned from the financial crisis of 2008 that over-reliance on one area for exports is a vulnerability. Since then it has sought to expand the focus of its trading relations within its own region. Some of these have been stymied in the past by the lack of proper logistical and infrastructural support for supply chains. So China, through Belt and Road Initiative projects, is helping to put these in place, and to meet the vast unmet needs of the Asia region in terms of roads, railways, ports and other assets. In this way, the famous "winwin" of Chinese discourse becomes clear-China gets a better quality market to sell into and source goods from, and the partners in the region get physical infrastructure that helps them build their own economies. That, at least, is the most ideal outcome.

The second dimension of the Belt and Road Initiative is more abstract. This is the ways in which, not just for the region, but the wider world, it has served as the key idea for introducing ideas about why it is worth engaging with the Chinese economy, and how best to do so. A criticism made of China after its accession to the World Trade Organization in 2001 was that as its economy boomed and it grew in stature and importance, diplomatically the country seemed to lack a voice. In 2005, then U.S. trade representative Robert Zoellick complained that China was not a stakeholder in the global order, and that it needed to step forward and play a greater role. Frustratingly, there were times when China did precisely this and received complaints and criticisms. This catch-22 situation—a country which evidently needed a far higher profile and global role, and an outside world willing to see it take that role only if wholly on its own terms-has been partially resolved by the Belt and Road Initiative. The Belt and Road Initiative, in essence, has started a huge debate about what a larger, fairer role for China, with its unique economic and political model, actually means

That was never going to be an easy process to engage with. After all, the rise of other powers to greater prominence in the past has often caused turbulence. This is something that plenty inside and outside China have noted. But there is one thing worse than enduring the discomfort of sometimes talking about these difficult issues, and that is not engaging with them and pretending that, without uttering a word, they will automatically sort themselves out. The Belt and Road Initiative is part of a major international communication process, where everyone takes part in working out what a new order looks like when China has a position, status and role that is much more commensurate with the size of its economy and geopolitical influence. At least now more people are focusing on this than ever before, and trying to work through these issues collaboratively and creatively.

A new consensus After five years of the Belt and Road Initiative concept, we can now draw some provisional conclusions. The first, very obvious one, is that uptake for Belt and Road conferences in Europe, Latin America, and elsewhere shows that the wider world does want to think more about the role of China in their lives. The community of those that feel they have links with the country and need a conceptual framework to help them find the right ways to cooperate, work with, and think about China is increasing. Whatever people might believe, whether it is negative, positive or neutral, at least they feel that they now need to devote time to the issue. Complacent indifference toward what China is doing is no longer an option. That, broadly, is a good thing.

Secondly, the Belt and Road Initiative shows the complexity of Chinese influence and power, and the ways in which this has been interpreted by different audiences in vastly different ways. For some, the Belt and Road Initiative boils down to simply creating greater connectivity in terms of hard infrastructure, the Internet, people-to-people links and governance. For others, it is about introducing a Chinese philosophy, involving ideas like harmony, reciprocity and multi-polarity—a new set of geopolitical concepts harvested from the rich history of Chinese strategic thinking that reaches back millennia into the past. This could be an almost idealistic interpretation.

For a few, the Belt and Road Initiative is more about China finding its rightful global role in ways which play to its strengths—through economic prowess and performance—rather than in the areas where it might come into direct conflict with a United States increasingly wary and jealous of even the slightest perception that it is losing its global number one spot. This might be called the "grand strategy" approach.

All of these different aspects highlight one thing; that reaching consensus on what China and its new and increasingly global role mean for the lives of everyone else is perhaps the most urgent geopolitical discussion taking place at the moment, and one that cannot fail. A major misunderstanding between China and the United States, Europe, or anywhere else, would be in no one's interests. It would be the direct opposite of "win-win." Everything has to be done, therefore, to forestall this eventuality.

Discussion about the Belt and Road Initiative has created multiple discourses and competing attitudes and convictions. Some of these conversations have proved difficult, such as arguments about imbalance and debt increasing for some of its partners. Expectations have sometimes gone too far ahead. It is, after all, early days. But the whole Belt and Road concept has at least begun to help China understand what it wants from the world around it, and what it thinks the optimal relationship with that world might be. It has also prompted an increasing number of people in the wider world to work out how and why they might want to work with China. A famous Chinese saying used in the early years of the People's Republic talks of a journey of a thousand miles starting with a single step. The Belt and Road Initiative is the single step in the great journey of China achieving a global role that needs to be balanced, sustainable and truly collaborative. That is not an easy goal, but it is one worth everyone striving for.

(The author is an op-ed contributor to Beijing Review and Director of the Lau China Institute at King's College,

## Amending the fundamental law

Modernization, socialism and the people's will at the core of constitutional revision

By Lan Xinzhen



Lawmakers cast their ballots on an amendment to China's Constitution at the Third Plenary Meeting of the First Session of the 13th National People's Congress in Beijing on March 11 (CNSPHOTO)

n March 11, the 13th National People's Congress (NPC), China's national legislature, adopted an amendment to the Constitution, marking the first such revision in 14 years.

"The revision is intended to enable the Constitution to better reflect the people's will, to give fuller range to the advantages of socialism with Chinese characteristics and to better meet the needs of modernizing China's system and capacity for governance," Wang Chen, Vice Chairman of the 12th NPC Standing Committee, said in an explanation of the draft amendment made to the First Session of the 13th NPC on March 5.

China's first Constitution was enacted in 1954. The current Constitution was adopted by the Fifth NPC on December 4, 1982. It has subsequently been revised by the NPC in 1988, 1993, 1999 and 2004 to meet the needs of China's reform, opening up and modernization drive.

Now over a decade has passed since the last changes to the Constitution and China's social and economic development has undergone a number of important and profound changes, particularly since the 18th Communist Party of China (CPC) National Congress in 2012. With Xi Jinping at the core, the CPC Central Committee has united and led people of all ethnic groups to uphold and develop socialism with Chinese characteristics, forming a series of new concepts, thoughts and strategies regarding national governance. Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era was established as a guiding ideology of the CPC at the 19th CPC National Congress in October 2017, making it the fundamental theoretical guide for the cause of the Party and

As the ruling party, the CPC has continually advanced with the times, constantly attempting to perfect the national governance system to adapt to new circumstances. The CPC Central Committee decided to initiate a constitutional revision at a Political Bureau meeting on September 29, 2017. It made public its proposal on changes to the Constitution on February 25.



Students at the Zhi Zhen Experimental Middle School in the city of Hengshui, Hebei Province, read the Constitution on December 4, 2017 on China's fourth Constitution Day (XINHUA)

## Advancing common goals

A country's constitution can have sustained viability only by adapting to new situations. This is why many countries across the world amend their constitutions and China is no exception.

One of the main aims of this revision is to incorporate the major theoretical innovations and policies put forward at the 19th CPC National Congress, especially Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, in order to reflect the new achievements, experiences and requirements of the Party's and the country's development

The incorporation of Xi's thought into the CPC Constitution at the Party's 19th National Congress reflects the will of the CPC membership, and its inclusion into the country's fundamental law clearly shows the common aspiration of the Chinese people.

Xi's thought is the latest achievement in adapting Marxism to the Chinese context and encapsulates the practical experience and collective wisdom of the CPC and the people, said Shen Chunyao, Chairman of the Legislative Affairs Committee of the 12th NPC Standing Committee, at a press conference after the amendment was adopted.

In total, 21 revisions to the Constitution have been made, including the addition of a statement that the leadership of the CPC is the defining feature of socialism with Chinese characteristics to Article 1.

"The Constitution has always been very clear and consistent on the CPC leadership. By writing the new sentence into the Constitution, the principle was strengthened, deepened and expanded," said Shen.

He added that the revision has reflected the fundamental, comprehensive and contemporary nature of the CPC leadership.



Judges of a court in Hangzhou, Zhejiang Province, swear an oath to the Constitution on August 18, 2017 (XINHUA)

#### Overseeing public power

A major highlight in the constitutional revision is the reform of the supervisory system, which aims to pool anti-corruption resources, enhance the Party's centralized, unified leadership over the campaign against corruption and form a centralized, unified, authoritative and efficient supervisory network.

Since the 18th CPC National Congress, China's sweeping anti-graft efforts have borne great achievements and won extensive support from the public. The Party's discipline inspection commissions at various levels and supervisory departments within the government have constituted the major force to fight against corruption. Currently, intraparty oversight has been effectively strengthened, with all Party organizations and Party members being supervised. However, the authority of administrative supervisory departments is limited and it is unable to challenge other state organs.

Thus, the CPC has continued to evaluate how best to deter those who execute public power from committing crimes under legal pretenses. This problem was fundamentally solved at the First Session of the 13th NPC by establishing supervisory commissions as a state organ.

The constitutional amendment devotes a section to supervisory commissions in the chapter on the structure of the state. Article 123 reads, "Supervisory commissions at all levels of the People's Republic of China are the country's supervisory organs."

In addition, the making of the Supervision Law aims to grant supervisory commissions at all levels great authority. According to the relevant clauses of the law, all those who execute public power will be covered. This is the anti-graft legal system with Chinese characteristics, an effective system fit for China's national conditions and developed based on the CPC's experience to purify itself during the past decades.

On the basis of incorporating existing supervisory and corruption prevention agencies within the government and procuratorates, supervisory commissions investigate all duty-related illegal and criminal acts. This will ensure that power is exercised in an institutional framework and that the power entrusted by the Party and the people is truly exercised for the benefit of the people.

The fundamental objective of China's supervisory system reform is to modernize its system and capacity for governance.

This round of supervisory system reform shows that to counter corruption by legal means is key. To grant supervisory commissions status as a state organ as well as certain duties and investigative powers will not only support the

## Major events in August

## August 1: China signals greater focus on economic stability

## **Keywords: economic stability; proactive** fiscal policies; prudent monetary policies

China will keep its economy on a stable and healthy development track with proactive fiscal policies and prudent monetary policies in the second half, according to a meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee on July 31.

#### August 5: <u>China's service consumption</u> on fast growth in H1

#### Keywords: services; growth; NDRC

China's consumption of services in sectors including tourism, culture, and sports registered fast growth in H1, according to the National Development and Reform Commission (NDRC).

#### August 12: <u>China willing to join Japan</u> to seek sound development of ties: <u>Premier</u>

## **Keywords: Li Keqiang; Shinzo Abe;** bilateral ties

Chinese Premier Li Keqiang said on August 12 Beijing is willing to join hands with Tokyo to work for the long-term healthy and stable development of bilateral ties. Li and Japanese Prime Minister Shinzo Abe exchanged congratulatory messages on August 12 to mark the 40th anniversary of the signing of the China-Japan Treaty of Peace and Friendship.

# August 14: <u>China seeks WTO dispute</u> <u>settlement over US safeguard measures, subsidies</u>

## **Keywords: Ministry of Commerce;** WTO; US

China on August 14 launched the World Trade Organization (WTO) dispute settlement procedure over U.S. safeguard measures on imported photovoltaic products and subsidies for its renewable energy products, the Ministry of Commerce said.

#### August 15: <u>Chinese Vice Premier urges</u> to build world-class Greater Bay Area Keywords: Han Zheng; Guangdong-Hong Kong-Macao Greater Bay Area

Chinese Vice Premier Han Zheng on August 15 stressed efforts to build the Guangdong-Hong Kong-Macao Greater Bay Area into a vibrant world-class bay area.

# August 16: <u>Book of Xi's discourses on poverty alleviation published</u> Keywords: Yi linning: poverty

# **Keywords: Xi Jinping; poverty** alleviation; Central Party Literature **Press**

A book of extracts from the discourses on poverty alleviation by Xi Jinping, General Secretary of the Communist Party of China (CPC) Central Committee, has been published by the Central Party Literature Press.

## August 21: <u>China, Russia to boost</u> regional cooperation

#### **Keywords: China; Russia; cooperation**

Senior Chinese and Russian officials on August 21 agreed to further boost cooperation between Northeast China and the Far East and Baikal Region of Russia.

#### August 27: China Sees Trade, Investment Growth With B&R Countries

### Keywords: China; trade; B&R countries

China's total trade with countries along the Belt and Road in the past five years exceeded \$5 trillion, with an annual average growth of 1.1 percent, in contrast to falling world trade, according to Qian Keming, Vice Minister of commerce

supervisory commissions' work in accordance with the law but will also help tackle some persistent legal problems. Supervision by a legal, long-term anti-graft mechanism will contribute to a prosperous and upright society in China for many years to come.