

The Specter of Global China

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Trump's war on red tape

Battlefield medicine on the streets

What the free-speech debate gets wrong

Mate selection: mother knows best

The world's most powerful man

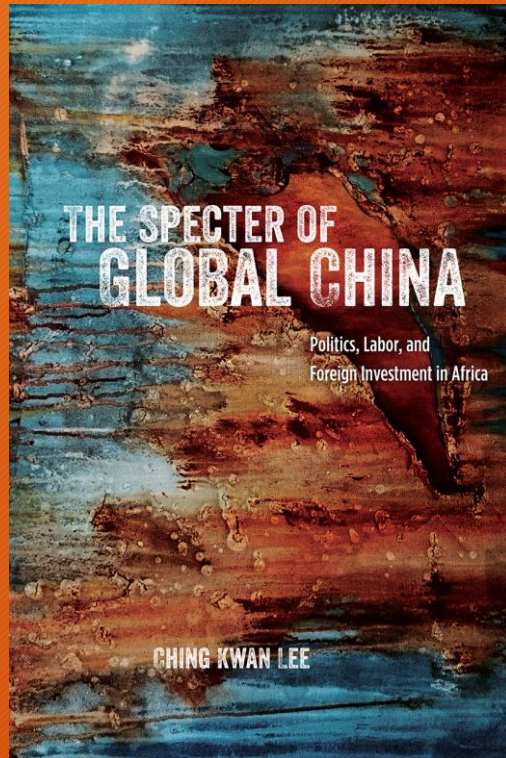


One Belt One Road

- Announced by Xi in 2013
- 10 times larger than US Marshall Plan
- \$1 trillion loans/ aids to 60 countries to build 900 infrastructure projects, covering 75% of world population



What Lens to Use for “Global China”?



- colonialism, empire building, hegemony, soft power, sharp power
- going beyond rhetoric, analogy, metaphor, fear projected from afar, about China's ambitions
- examining processes, mechanisms and outcomes of Chinese power on the ground
- this book: state capital investment (one major instrument in China's power playbook)

“Is Chinese Capital Different?”

- 3 moments of capital
 - logic of accumulation
 - regime of production
 - ethos of management

Method: Comparative Ethnography (2007-2014)

Double comparison

- Chinese state capital vs global private capital
- copper & construction

Ethnography (in Zambia)

- neoliberalized Copperbelt
- studying up and down
- historical moment: resource nationalism, global financial crisis





Chinese Managers in State Mine



Underground Mine (1000 meter below)



Concentrator



Smelter



The “China House”

Lunch at the Mine



Leisure



Bus in & out



Construction



Construction: Chinese Lives

Living on site



Collective dormitory



Mess hall



Is Chinese State Capital Developmental or Predatory?

- In mining, Chinese state capital is more negotiable and responsive to African developmental agenda than global private capital
- In construction, Chinese state capital in the form of concessional loans is more predatory and creates debt trap
- Why & how?

Profit Maximization vs Encompassing Accumulation

Global Capital

- One dimensional “profit”: share-holder value maximization
- Copper: exchange value
- Financial goals

Chinese State Capital

- Multiple “profit” forms: profit optimization, political influence, access to copper source
- Copper: exchange value and use value
- Financial, Material, Political

Local Politics: Developmental Synergy

- Resource nationalism in multi-party democracy → electoral pressures on political elite
- Elite developmental strategy: Export Processing Zone for copper
- Labor: miners are the most organized part of Zambian labor with a history of struggle

The China Difference in Moments of Crisis

- Global financial crisis 2008
immediate retrenchment by the thousands

- Zambian strategy of “value addition”
“not our core business”;
“market for copper”

- Global financial crisis 2008
no retrenchment, no reduction, no salary cut

- Zambian strategy of “value addition”:
Chinese owned SEZ & a Lusaka subzone

Zambia China Cooperation Zone (ZCCZ)

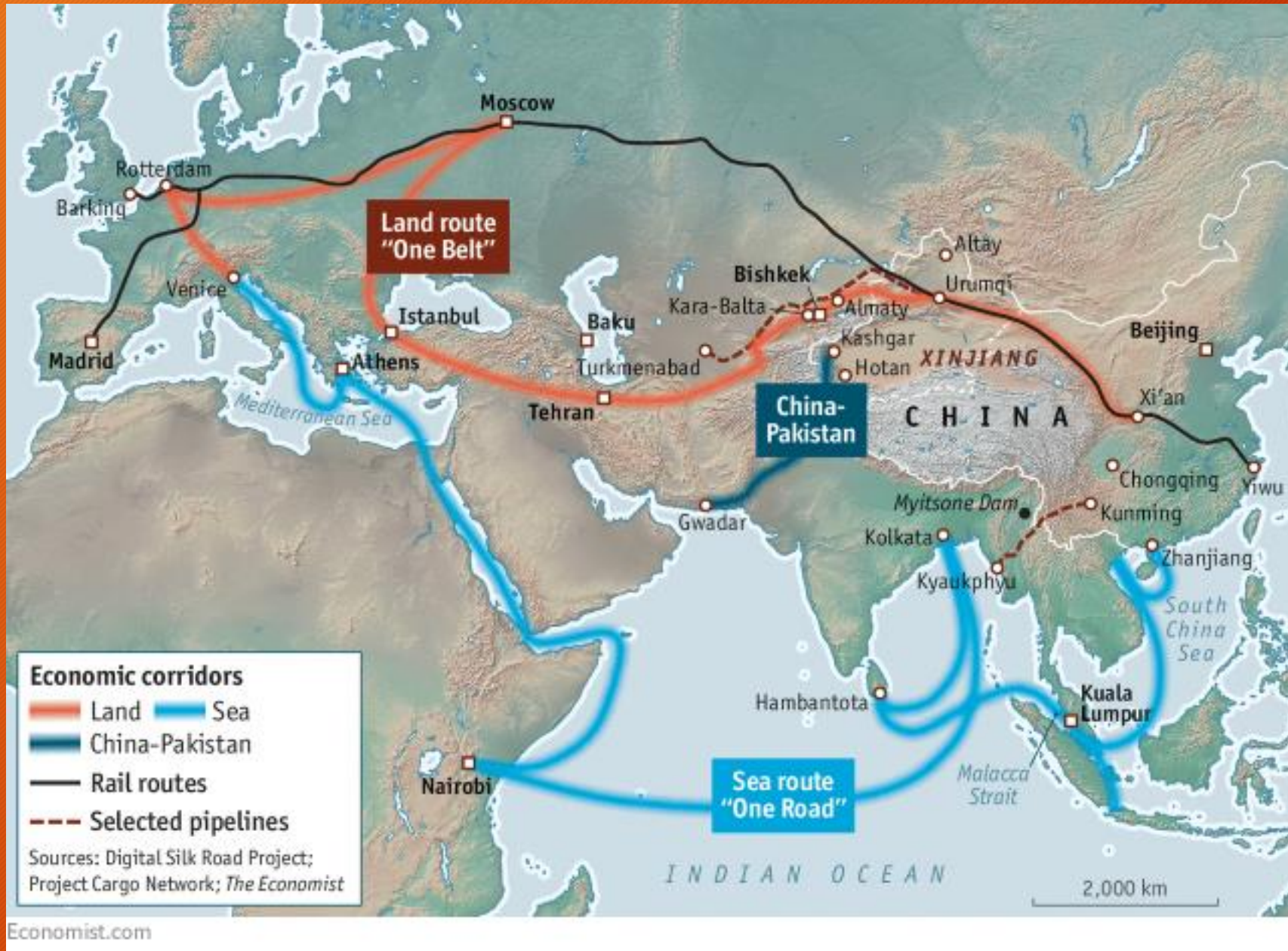


Construction

- concessional loans (profit and political patronage)
 - selective allocation of loans to build patronage ties with African elite (election needs)
 - interest-bearing investment: creating long term creditor-debtor relation, total loans have exceeded World Bank loans
 - creating an exclusive market for Chinese contractors through non-competitive single source requirement, inflated price tag
 - Zambia: no elite strategy + unorganized labor

Peculiarity of Chinese state capital

- Logics of Accumulation
 - **encompassing accumulation vs profit maximization**
 - **developmental synergy and resource nationalism in mining vs elite rent seeking & debt trap in construction**
- Regimes of Production:
 - **production driven exploitation vs finance driven exclusion**
 - **more concession to miners than construction workers**
- Ethos of management:
 - **collective asceticism vs individual entrepreneurialism**
- Sectoral differences in effects, varied by local politics; African agency



Local Foundations of One Belt One Road

- Many emerging problems:
 - Political risks: regions mired in long term ethnic, religious, tribal conflicts; terrorism, radicalism, big man politics
 - Financial risks: poor countries' debt sustainability
 - Social risks: popular discontent against land and livelihood dislocation, environmental damages, collusion (e.g. Sri Lanka violent protests 2017)
 - More failure than success

FT: value of abandoned Chinese rail projects is double that of those underway

Discontinued high speed rail projects



Venezuela: Tinaco–Anaco

Latin America's first high-speed railway was estimated to cost \$7.5bn and run over 468km. But this partially built 'red elephant' is now abandoned.



Libya: Tripoli–Sirte

China Railway Construction Corporation was forced to suspend \$3.6bn worth of projects in Libya, including a high-speed line between Tripoli and Sirte, at the outbreak of the 2011 civil war.



Mexico: Mexico City–Querétaro

Mexico cancelled a \$3.7bn rail project in 2014, revoking China Railway Construction Corporation's contract due to questions over 'transparency'.



Myanmar: Yangon–Mandalay

In 2011, China and Myanmar agreed to build a 1,215km high-speed railway for \$20bn between southwest China and the Bay of Bengal, including the Mandalay–Yangon line. The deal lapsed in 2014 amid competition in Myanmar.



US: Los Angeles–Las Vegas

This 370km high-speed rail scheme, estimated to cost around \$12.7bn, would have been the first built by a Chinese company in a developed country. XpressWest, the US client, cancelled the project in 2014.

Malaysia

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 Routledge
Taylor & Francis Group

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The Political Economy of a Rising China in Southeast Asia: Malaysia's Response to the Belt and Road Initiative

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ABSTRACT

Disputing research that depicts weak states getting overwhelmed by China's financial might, this article argues that the political elites in a relatively weak and small state such as Malaysia are adept in engaging with a rising China to advance key projects, furthering their own agenda. In the case of Malaysia, the eventual outcome of this interaction is dependent on three key conditions: fulfilment of Malaysia's longstanding pro-ethnic Malay policy, a mutual vision between the state and federal authorities, and advancement of geopolitical interests for both Malaysia and China. The article puts forward a typology illustrating various possible outcomes to examine the interconnections between key players at a time of Chinese ascendancy.

Malaysia renegotiating terms of 'One Belt, One Road' rail project

Reuters | Updated May 27, 2018

 94     5



MALAYSIAN Prime Minister Mahathir Mohamad

KUALA LUMPUR: Malaysia is haggling over the terms of a \$14 billion rail deal with its Chinese partners and can reduce its ballooning national debts by \$50bn by doing away with mega projects,

Deep water

Sri Lankans protest against Chinese investment

But it's one way to pay off debts to China



Pakistan

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<https://www.wsj.com/articles/chinas-global-building-spree-runs-into-trouble-in-pakistan-1532280460>

CHINA

China's Global Building Spree Runs Into Trouble in Pakistan

To fund a 70-nation infrastructure initiative, Beijing has been extending loans in opaque deals often contingent on using Chinese contractors

By Jeremy Page and Saeed Shah

July 22, 2018 1:27 p.m. ET



Gwadar, a port on Pakistan's Arabian Sea coast, is part of the China-Pakistan Economic Corridor. PHOTO: ASIM HAFEEZ/BLOOMBERG NEWS

Nepal

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“A handshake across the Himalayas:” Chinese investment, hydropower development, and state formation in Nepal

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ABSTRACT

This article examines contemporary patterns of Chinese infrastructure development in Nepal's Rasuwa District and the ways in which Nepali actors engage with Chinese investments to advance projects of state formation. Particularly in the wake of political volatility and natural disaster, Chinese interventions support the material and imaginative projects of a Nepalese state seeking stability, security, and economic growth. Long perceived as peripheral to the state center, Rasuwa is rapidly becoming central to Sino-Nepal relations, particularly in the context of bilateral investments in hydropower and transportation infrastructure. Drawing on data generated from 30 months of fieldwork in Nepal, we argue that Chinese development in Rasuwa: a) undergirds territorializing practices of the Nepalese state; b) represents a “gift of development” that connects Nepali ambitions of *bikas* (development) with Chinese anxieties over exile Tibetan populations; and c) reflects a strategic reorientation of geopolitical alliances between Nepal, China, and India. Challenging studies that depict Chinese development as an overwhelming extractive force, we instead show how small states like Nepal in fact use Chinese interventions to advance domestic projects of state formation and national security at home. On the basis of this study, we expand understandings about the place and priority of infrastructure in national state-making agendas, illustrate uneven local experiences with international development interventions, and highlight new configurations of Chinese investment and development abroad – characterized in Nepal as a “handshake across the Himalayas.”

ARTICLE HISTORY

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Nepal; China; Himalayas;
hydropower; infrastructure;
development



Figure 2. Aerial view of infrastructure at China–Nepal border above Rasuwaghadhi. Source: Photography by Galen Murton.

Agenda

- Local foundations of global China at multiple scale
- Theorizing forms (media, finance, FDI), actors (private vs state capital), configurations and mechanisms of power (soft or sharp are only metaphors)
- Instead of grand theorizing of grand strategies, grounded and granular research of actually existing Chinese power
- Chinese levers of power are similar to western powers – finance, FDI, media, culture; but in a neo-liberal world order, state activism stands out, and trigger different outcomes.