

Strategic State–Firm Relations for the Belt and Road Initiative: A Geoeconomics Reading

James Jixian Wang and Jiang Xu

Abstract

This study deploys a geoeconomics perspective to explore how the Belt and Road Initiative (BRI) has been implemented through economic means by states and firms in China and host countries to achieve strategic objectives. We first use three geoeconomic indicators to classify 74 Belt and Road countries' relations with China and unpack the key geographical features of BRI projects. Then, against this geoeconomics background, we select three BRI projects to explain the roles played by the Chinese state and firms with different ownerships in the BRI's execution. The cases are port development in Sri Lanka by China Merchants Port, a national state-owned enterprise; railway investment and construction in Laos and Thailand led by the Chinese government and state-owned firms; and industrial park development by China Fortune Development, a private developer. We argue that the BRI acts as a geoeconomics maneuver, propelled by a close state-business cooperation that is vital in enabling its success. In forging the BRI, the Chinese state shapes the overall strategic pathway. Nonetheless, it is the firms, both state-owned and private, that are increasingly implicated in co-constructing the project-based and context-specific "frameworks of action" with host countries' governments and business interests to manage overseas economic uncertainty.

James Jixian Wang was head of Geography Department, University of Hong Kong; and is currently research director of the Bay Area Hong Kong Centre and Belt and Road Hong Kong Centre.

Jiang Xu is Professor at the Department of Geography and Resource Management, The Chinese University of Hong Kong. Correspondence should be sent to jiangxu@cuhk.edu.hk.