

The One Belt One Road and Italy

March 28, 2019

Manifest Pedagogy

The topic OBOR has been in news for the past years and the question related to it have been asked quite a few times in Mains. The act of Italy being a landmark flares the issue up against. So keeping a tab on it becomes imperative!

In news

Italy to join OBOR

Placing it in the syllabus

- Effect of policies and politics of developed and developing countries on India's interests
- International relations

Static dimensions

- OBOR and its History
- Components of OBOR

Current dimensions

- Implications of Italy joining OBOR

Content

What is OBOR, its history and its components

The One Belt One Road (OBOR), the brainchild of Chinese President Xi Jinping, is an ambitious project that focuses on improving connectivity and cooperation among multiple

countries spread across the continents of Asia, Africa and Europe. Dubbed as the “Project of the Century” by the Chinese authorities, OBOR spans about 78 countries.

History

- Initially announced in the year 2013 with a purpose of restoring the ancient Silk Route that connected Asia and Europe, the project’s scope has been expanded over the years to include new territories and development initiatives.
- The plan was formally presented in 2015 at the Boao Forum for Asia.
- Also called as the Belt and Road Initiative (BRI), the project involves building a big network of roadways, railways, maritime ports, power grids, oil and gas pipelines and associated infrastructure projects.

Components

The OBOR has two components:

1. First is called the **“Silk Road Economic Belt”** which is primarily land-based and is expected to connect China with Central Asia, Eastern Europe and Western Europe.
2. The second is called the **“21st Century Maritime Silk Road”** which is sea-based and is expected to connect China’s southern coast to the Mediterranean, Africa, South-East Asia and Central Asia.

The names are confusing as the ‘Belt’ is actually a network of roads, and the ‘Road’ is actually a sea route.



Funds for OBOR

It is funded by;

- Multilateral funds like Asian Infrastructure Investment

Bank and Silk Road Fund and also national funds

- All countries involved in China's Belt & Road will in one way or another have part of their own sovereign wealth involved, and especially when it comes to supporting their local industries and business interests.

Prominent European countries which have joined it

- Italy(joined recently), Portugal

Implications of Italy joining it

Italy becomes the first member of the Group of Seven major economies, which includes the United States, to join Belt and Road, following Portugal's embrace of the initiative in December. It has both positive and negative implications;

- Italy signed on to China's controversial "One Belt, One Road" infrastructure plan in March, despite concern within the country's government, as well as those from the United States and the European Union, hence it would face the anger of the same.
- Critics have said the initiative saddles developing countries with large debt burdens that they can't pay off, while Washington worries that the plan is designed to strengthen China's military influence, and could be used to spread technologies capable of spying on Western interests.
- It may help Italy to develop its infrastructure as per MoU signed between China and Italy.
- With the result of Italy signing OBOR, it may have to break with its France and Germany(historic partners).
- In the lead-up to the signing, both French President Emmanuel Macron and German Chancellor Angela Merkel voiced concern that the deal could jeopardize Italy's national security.
- European Union has also expressed concerns regarding

China's access to its markets.

OBOR is seen a challenge to the hegemony of the West dominate by U.S and European countries. With the joining of European countries the hegemony of China camouflaged as Globalization 2.0 gets legitimacy