



E-ISSN: 2664-603X  
P-ISSN: 2664-6021  
IJPSG 2025; 7(3): 55-63  
[www.journalofpoliticalscience.com](http://www.journalofpoliticalscience.com)  
Received: 17-02-2022  
Accepted: 21-03-2025

**Dr. Arundhati Sharma**  
a) Assistant Professor,  
Department of Political  
Science, Central University of  
Himachal Pradesh, Sapt-  
Sindhu Parisar, Dehra  
Gopipur, Kangra, Himachal  
Pradesh, India  
b) Visiting Professor, Kautz  
Gyula Faculty of Economics,  
Széchenyi István University,  
Győr, Hungary

**Praveen Kumar Yadav**  
Ph.D. Scholar and Senior  
Research Fellow (UGC),  
Department of Political  
Science, Central University of  
Himachal Pradesh, Dehra  
Gopipur, Kangra, Himachal  
Pradesh, India

**Corresponding Author:**  
**Dr. Arundhati Sharma**  
a) Assistant Professor,  
Department of Political  
Science, Central University of  
Himachal Pradesh, Sapt-  
Sindhu Parisar, Dehra  
Gopipur, Kangra, Himachal  
Pradesh, India  
b) Visiting Professor, Kautz  
Gyula Faculty of Economics,  
Széchenyi István University,  
Győr, Hungary

## Navigating BRI in CLMV: Political Economy Aspects and their Implications on Relations with China

**Arundhati Sharma and Praveen Kumar Yadav**

**DOI:** <https://www.doi.org/10.33545/26646021.2025.v7.i4a.485>

### Abstract

Belt and Road Initiative (BRI) since its inception has emerged as a global framework that has implications in economic and political domains in partner countries. The inception of BRI and its active international promotion by China has involved its provincial governments, State Operated Entities (SOEs) as well as private players in China's international engagements. In the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries, BRI emerged as a crucial framework for attracting investments and finance that would provide thrust to their economic growth. Despite its role in promotion of international economic cooperation, BRI projects have also faced several challenges. The processes involving negotiations, execution and governance of BRI projects in CLMV countries create opportunities and challenges in political and economic domain. The article aims to evaluate the domestic implications of BRI in host countries to understand its role in shaping perception of CLMV countries and their relations with China. It analyses the quantitative and qualitative aspects of BRI in CLMV countries through examination of primary and secondary sources as well as interviews with policy experts in India, Cambodia and Vietnam.

**Keywords:** BRI, Cambodia, China, CLMV, economic diplomacy, Laos, Myanmar, Vietnam

### Introduction

Since, the announcement of 'One Belt One Road' (OBOR), predecessor of Belt and Road Initiative (BRI) in 2013, China has tried to promote international economic cooperation and support China's economic growth. China used terms like 'mutual benefit', 'win-win' to characterise the OBOR, and later renamed it as Belt and Road Initiative (BRI) <sup>[1]</sup>. By positioning BRI as a participatory initiative, China seeks to bridge the developmental gaps in CLMV while reaping economic and political benefits. The CLMV subregion comprising Cambodia, Laos, Myanmar and Vietnam, located in proximity to China, holds unique strategic and economic significance for China. For instance, their proximity to important trade routes and chokepoints such as the South China Sea (Vietnam), Malacca Strait (Cambodia) and Indian Ocean (Myanmar) are of significant economic and strategic interests for China. As a group of countries that initiated economic reforms during the 1990s, they have made significant economic progress, but still require international investments for continued growth.

For CLMV countries, BRI emerged as a crucial mechanism to promote economic growth through financial and economic integration with China. Simultaneously, by investing heavily in transportation networks and energy projects in the subregion, China has strived to secure vital trade routes and strengthen its influence, fostering regional connectivity and economic growth. Additionally, the BRI projects facilitate access to critical resources and markets, enabling local economies to benefit while also ensuring China's economic interests are prioritised.

Interestingly, procuring BRI related investments and finances have been easier for CLMV countries that underlines its popularity within the subregion. The main reason behind the increasing popularity of BRI related investments emanates from the fact that in small market economies like CLMV there are limited options to avail infrastructure finances required to boost their economic growth. Large-scale infrastructure investments in connectivity and energy related projects provide opportunity for economic growth while also creating positive ripple effect within the host economy <sup>[2]</sup>. However, the nature of such projects also raises

questions related to its impact on the debt-scenario, negotiation processes, transparency, accountability, besides its potential impact on local employment generation and skill development. Such aspects have brought focus onto the impact of BRI projects on host economies and its role in shaping relations between CLMV and China.

BRI, which holds a crucial element in Chinese foreign policy since its inception, has prompted doubts regarding its strategic element. Certain sections have also labelled it as 'China's Grand Strategy' [3]. Its strategic concerns revolve around Chinese intentions behind huge international investments and funding. The huge power disparity between China and host countries influences economic considerations regarding BRI [4]. As the CLMV countries navigate their growing ties with China, they seek to carefully balance the allure of investment with the potential repercussions on their autonomy and domestic economy. To ensure sustainable growth, CLMV countries must negotiate terms that protect their interests while benefiting from infrastructure development. This delicate balancing act is crucial for CLMV governments to safeguard the legitimacy of their regime by boosting economic performance while reducing the negative effects of international economic cooperation.

The current article aims to examine BRI from the perspective of CLMV countries and evaluate its performance in the light of opportunities and challenges. The article complements existing literature on BRI by examining its role in shaping policy choices of CLMV countries that occupy unique strategic and economic significance for China. The analysis of processes related to BRI's implementation and impacts across the four CLMV countries, allows for a nuanced understanding of how different national contexts shape outcomes. By linking domestic aspects to international outcomes, the study contributes to the broader literature on international development, economic diplomacy, and China's growing global influence. It also offers suggestions to improve the nature and processes related to BRI in light of the recent developments.

## Methodology

The article examines the political economy aspects of China's BRI in CLMV countries. It utilises secondary sources including books, research articles, media reports, policy documents and online data resources to analyse the quantitative and qualitative aspects of BRI projects in CLMV countries. To substantiate the secondary sources, a field visit was undertaken in India, Cambodia and Vietnam; and personal interviews with policy experts in this area were conducted.

## BRI Projects in CLMV: An Overview

Table 1 shows that the pattern of investments under BRI in CLMV countries had varied with Cambodia being the largest recipient of Chinese investments in 82 projects till 2021 while Vietnam has only 12 projects with 3.81 billion Chinese investments during the same period. While economic interests have been the major reason for CLMV countries to engage with China, what is interesting is the way perceptions about Chinese investments and its interplay with domestic factors and political interests have come to influence the nature of economic engagements, particularly in Myanmar and Vietnam. Therefore, it is essential to

explore the interplay of different factors for comprehending the variations in the pattern of Chinese investments under BRI projects in CLMV countries. Besides providing quantitative data of the BRI investments, the paper focuses on the impact of major projects as they have considerable socio-economic and political implications, an important highlight of the current study.

**Table 1:** BRI Projects underway in CLMV between 2013 and 2021 (Value in billions, 2017 US \$) [5]

Country	Cambodia	Laos	Myanmar	Vietnam
Number of Projects	82	20	33	12
Value in Billions	6.77	2.48	2.02	3.81

**Source:** Malik *et al.* (2021) [21]. Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects, Williamsburg: Aid Data at William & Mary. <https://www.aiddata.org/publications/banking-on-the-belt-and-road>

## Cambodia

In 2016, the World Bank upgraded Cambodia's economic status from lower income category to lower middle-income country. International developmental aid and investments coupled with Cambodia's internal peace transitioned it from a conflict and poverty ridden country to one with consistent growth. With the advent of BRI, Cambodia sees it as a crucial mechanism to promote its economic growth and development. As of June 2021, China had built 3287 km of road, eight main bridges with a total length of about 7690m [9]. It is the top investor and donor for Cambodia [10]. Major BRI projects in Cambodia include Sihanoukville Special Economic Zone, Phnom Penh-Sihanoukville Expressway, new Siem Reap International Airport, Morodok Techo National Stadium, roads and bridges, hydropower plants, and various other infrastructure investments in areas such as health, water supply and education. Most of these projects are under Build Operate Transfer (BOT) model which does not put much debt related risk over the Cambodian government [6].

## Laos

In Laos, Railway line between Laotian capital, Vientiane to China's Kunming is one of the major BRI projects that seeks to connect Laos to China and further to Singapore through Thailand. The project would provide economic benefits to China such as cheaper route to ports, diversify its source countries for raw materials, develop the underdeveloped western region. For Laos, it will help realise its vision to improve its infrastructure helping transform itself from landlocked to 'land-linked' country [11]. It is worth noting that the project is worth about one-third of the country's GDP, and China funds 70 per cent of the total cost [12]. Despite, the huge debt-burden, the Vientiane-Kunming Railway line has the potential to attract investments and promote exports and tourism in the country by overcoming logistical costs and challenges [13].

## Myanmar

In 2019, Myanmar and China signed cooperation plan for the China-Myanmar Economic Corridor (CMEC) as part of the BRI. While China proposed 40 projects under the CMEC, Myanmar consented to just nine mainly due to

concerns over debt-burden, project viability and feasibility<sup>[14]</sup>. CMEC would connect Yangon in Myanmar with China's Yunnan province while providing China alternative trade route that bypasses the longer trade route through the Malacca strait<sup>[15]</sup>. Another economic motive of China behind the project is the development of its lesser developed Yunnan province. Geopolitically, it would provide China with direct access to the Indian Ocean through access points opening directly into Bay of Bengal. As a set of large infrastructure projects, CMEC involves deep water sea ports, Special Economic Zones (SEZ), industrial corridors, railway line, and several other projects which if implemented would lead to transformation of Myanmar's economic status. While, the progress has been slow since its announcement, the execution nearly halted after the 2021 coup in Myanmar<sup>[16]</sup>. However, China has been taking efforts to engage with multiple stakeholders including ethnic groups, pro-democracy groups and the army to secure its investments and execute the pending BRI projects<sup>[16]</sup>.

### Vietnam

In contrast to other three countries, Vietnam does not host any large-scale BRI projects except the Cat Linh - Ha Dong section of Hanoi metro line project and the Two Corridors, One Belt (TCOB) initiative, also referred to as Two Corridors, One Economic Circle project. However, both the projects were negotiated before the advent of BRI and were subsequently labelled as part of BRI<sup>[17]</sup>. While the TCOB initiative was adopted by Vietnam and China in 2004, work on the metro project had started in 2011<sup>[7]</sup>. Subsequently, in 2017 the TCOB became a part of BRI after a MoU was signed between Vietnam and China. Vietnam despite its initial enthusiasm to utilise BRI framework as a mechanism to promote its development, has various concerns regarding economic and strategic aspects of the BRI. Vietnam's territorial and maritime disputes with China in the South China Sea complicates its stance towards BRI. In the case of any political crises between two countries, such as the oil rig crisis in South China Sea in 2014, would place Vietnam in a vulnerable strategic position. Also, the rising anti-Chinese sentiment within Vietnam's general population has prompted Vietnam to downplay the influence of BRI in its international engagements. In order to bypass such opposition while increasing economic benefit, the 2017 MoU between Vietnam and China was titled as 'Joint implementation of the Belt and Road Initiative and Vietnam's "Two Corridors and One Economic Circle" plan'<sup>[18]</sup>. It helped Vietnam to showcase the resulting cooperation as two separate projects and not as a part of China led BRI. Perceptions within Vietnam's business circles about BRI investments is also an important concern. Importers and exporters have positive outlook towards BRI investments in building regional infrastructure as it would bring down logistic costs and save time, thereby, helping them to increase profits<sup>[19]</sup>. However, Vietnamese manufacturers have a more negative view of investments coming from China due to the superiority of Chinese manufacturers who would come to dominate the production and manufacturing scenario. Besides economic aspects, Vietnam's businesses and leaders are concerned about strategic aspects of the increasing economic interdependence with China. Nonetheless, Vietnam has tried to prioritise economic engagement while avoiding internationalising conflicts and avoiding building counter-alliances against China<sup>[20]</sup>.

Vietnam's policy to delink political and economic aspects of its engagements with China is a result of understanding within Vietnam's policy circles of the importance of China in economic domain despite having certain hesitations over China's strategic intentions. However, Vietnam tries to avoid being overly reliant on BRI and seeks to explore alternative funding and executing agencies without moving away from China.

### BRI in CLMV: Opportunities and Challenges

The Vision and Action document of BRI enlists six key areas to facilitate economic cooperation between partner countries: (i) Policy coordination; (ii) infrastructure connectivity; (iii) unimpeded trade; (iv) financial integration; (v) people-to-people ties; and (vi) cooperation in new fields<sup>[21]</sup>. However, the core focus areas are free trade, investments and financial integration. The other three areas including policy coordination, people-to-people ties and cooperation in new fields are important as facilitators of the core areas of economic cooperation under the BRI framework. The document also highlights the objectives of promoting 'practical cooperation' and 'elevating the sense of gain and fulfilment' for participating countries to resolve the underlying challenges of bilateral relations under BRI framework and manage perceptions regarding Chinese investments<sup>[22]</sup>.

BRI has garnered special attention and focus in all the CLMV countries while the outcomes have seen mixed responses. Cambodia and Laos have championed the utility of BRI in promoting national economic growth and development and have benefitted by receiving multiple projects. In contrast, Myanmar and Vietnam have showcased milder response reflecting the interplay of domestic factors and inflow of investments from China. Nonetheless, BRI has brought significant investments especially in the infrastructure sector such as connectivity projects and energy production that have positive ripple effect on the host economy. For instance, in Cambodia, BRI projects such as Siem Reap International airport and multiple expressways have lowered transportation costs and promoted tourism. In Laos, the Vientiane -Kunming railway line would provide Laos, a landlocked country, international connectivity to China, Thailand and Singapore, thereby promoting Laos' position from a landlocked to 'land linked' country. Similarly, the CMEC project aims to promote industrial development of Myanmar through integrated and planned development of ports, highways and industrial zones. In Vietnam, developing interlinkages between BRI and TCOB will promote industrialisation, efficient transportation, thereby enhancing economic exchanges with China<sup>[23]</sup>.

For small economies like CLMV that constantly face issues in managing their current account deficits and budget deficits, servicing international debt obligations becomes an important concern. Table 2 provides the Debt to GDP Ratio patterns indicating the financial position of CLMV countries. While debts are an important source to finance growth and development measures, its improper utilisation and/or reckless expenditure could destabilise the economy. The risks related to improper utilisation of funds and questions regarding viability of the internationally financed projects are real, necessitating prudent financial management along with development of regulatory mechanisms and reforms to maximise benefits of



infrastructure investments. For instance, the China-Laos Rail Link BRI project that is worth about ‘one-third of the Laotian GDP’ could pose significant potential risks for Laos that is mainly dependent on natural resource extraction and has weak industrial base <sup>[24, 25]</sup>. It is also apprehended that the rail link project could largely benefit Thai and Chinese cities with large industrial capacity in contrast to Laos. The Center for Global Development (CGDEV), which assesses the current debt vulnerabilities of BRI partner countries has cautioned Cambodia regarding ‘risk of debt-distress’ <sup>[26]</sup>. Governments and civil societies within Myanmar and Vietnam have also voiced similar concerns over debt-burden despite showing interest in BRI. Moreover, increased dependence on international trade particularly, with China that faces slowed economic growth and real estate crisis in the backdrop of uncertain global economic and political conditions, pose grave challenges for countries with high debt burden <sup>[27]</sup>. While loan repayments are often guaranteed through export of raw materials and resources from host countries to China, volatility of their production and pricing makes servicing debt obligations a major concern.

**Table 2:** Debt to GDP Ratio of CLMV Countries for the Year 2022

Country	Cambodia	Laos	Myanmar	Vietnam
Debt to GDP Ratio (in per cent)	36.8	68.01	62.5	37.1

**Source:** World Population Review (2024). Data extracted for the year 2022 from the website.

It is clear that BRI aims to promote economic cooperation leading to integration of various economic activities. However, it also creates a scenario wherein China shifts its labour intensive industries to the host economies. In other words, the expansion of Chinese economic engagements through BRI aims to solve the problem of Chinese economy through ‘spatial fix’ <sup>[28]</sup>. Spatial fix is a theoretical concept which suggests that states try to resolve the crisis of surpluses in capital, industrial production and labour through geographical expansion. In China, the problem of overcapacity and surplus production coupled with rising wages and unfavourable global economic situation after 2008 made it crucial to find ways to resolve such issues. Despite such restructuring, the incoming investments from

China have been criticised for preferring to employ Chinese workers over local workers and minimal interaction between Chinese and local enterprises. Menon <sup>[29]</sup> while analysing impact of BRI investments in Cambodia claims that ‘most of the better paying jobs in management are reserved for Chinese nationals and even in the low to mid-skilled categories, there is evidence to suggest that Chinese investment is associated with the import of foreign workers.’ Similarly in Laos, out of total workers employed in the Vientiane-Kunming Railway line project during 2018, only one-fourth workers were from Laos while the rest were Chinese nationals <sup>[30]</sup>. This hinders technology transfer and capacity development of the local economy.

BRI projects have also been criticised for promoting unviable projects, corruption particularly involving Chinese state-operated entities and local authorities besides lack of transparency and accountability in execution of these projects (see Table 3). Feasibility study of projects has been less holistic along with the tendency to avoid negotiations with local communities. Mark *et al.* <sup>[31]</sup> cite personal communication with affected communities in Myanmar, showcasing that the government led consultation process was only a ‘one way presentation that involved community representatives without any considerable interaction with villagers directly impacted by the project.’ Lack of stakeholder consultation poses risks to affected communities while delaying the implementation and execution of the projects. The Chinese SOEs usually deal with the government officials whose actions with respect to facilitation of projects have also come under scanner due to corruption and use of force on affected communities. BRI related corruption in the CLMV subregion manifests in various forms, from misallocation of funds to kickbacks, ultimately distorting the potential benefits that would flow from such expansive infrastructural investments. In a personal communication, foreign policy expert Jabin Jacob (1 February 2024) noted:

BRI and Chinese investments because of their sheer size and scale have major implications on host countries. Besides quantitative concerns of Chinese debt, the qualitative aspect should also be considered. BRI related investments have coincided with the degradation of political accountability in the host countries that aggravates the risks of socio-political and economic vulnerability.

**Table 3:** Number of BRI Projects Encountering Problems (2013-2021)

Countries	Scandals, Controversies, Alleged Violations	Community and Ecosystem Harm	Under Performance
Cambodia	2(860 million USD)	1 (759 million USD)	-
Laos	-	-	-
Myanmar	-	1	-
Vietnam	5(2747 million USD)	-	3 (664 million USD)

**Source:** Malik *et al.* (2021) <sup>[21]</sup>. **Note:** Figure in the bracket denotes the total value of the projects affected in the specific category at 2017 USD value.

BRI operates primarily as a top-down approach, where overarching decisions and strategies are implemented at the national level, with significant implications cascading down to local economies <sup>[32]</sup>. This methodology often leads to a trickle-down effect that, while intended to stimulate growth and development, may not always yield the desired results for the communities most affected. Its cascading effects are mostly felt among the local communities where the BRI

projects are undertaken. The disruption of livelihood coupled with challenges related to rehabilitation such as the relocation of residents, or the provision of alternative livelihoods remain major concerns within CLMV countries. In Cambodia, Chinese state-owned firm, Inner Mongolia Erdos Hongjun Investment faced criticism regarding forceful evictions of local residents for its US\$98 million Boeung Kak Lake property project in Phnom Penh <sup>[33]</sup>. In

Laos, Vientiane-Kunming rail project has also faced problems related to land acquisition, resettlement and lack of adequate compensation. Despite the official 'Decree on Compensation and Resettlement Management in Development Projects', problems remain unresolved and becomes more complicated due to governmental negligence, compensation delay and insider land grabbing<sup>[34]</sup>. Even before the advent of BRI, Chinese investments in Myanmar had faced similar opposition for its Myitsone Dam project<sup>[35]</sup>. The dam project became highly controversial for two reasons. Firstly, it would inundate considerably large area of land affecting livelihood of people in both upstream and downstream regions. Secondly, nearly 90% of the generated electricity would be supplied to China. These factors gave the project a political angle leading to widespread anger against Chinese investments. Such aspects diluted Myanmar's response towards BRI in future. It was only after 2017 that it joined the BRI when western investments tapered due to the Rohingya crisis. Problems related to unfair land compensation and land grabbing were also reported in subsequent BRI labelled projects. For instance, in the Kyauk Phyu Special Economic Zone, a part of the CMEC, there were instances of eviction without compensation of tenants who were dependent on the land for their livelihood for many generations<sup>[36]</sup>. While Vietnam does not host any large- scale projects, its insistence on improvement of aspects such as 'sustainability, inclusiveness and effectiveness' of BRI projects underline

concerns regarding inflow of BRI investments<sup>[37]</sup>.

Lack of transparency of projects is another major concern regarding Chinese financial outflow, investments and contractual obligations of the host country. China does not follow OECD's Creditor Reporting System besides limited information revealed by China regarding BRI projects<sup>[38]</sup>. For BRI projects where details are available, it is mainly in Chinese language and relatively more details are available in Chinese version when the details are provided in other languages, hampering its usage by nationals of host countries and international audience<sup>[39]</sup>. Furthermore, lack of financial transparency promotes unsustainable economic growth as the absence of sufficient data hampers debt sustainability analysis, necessary to mitigate the negative fallouts of investments. It is because of this problem that the experts use the term 'hidden debt' for Chinese funding. The term 'hidden' debt is usually implied for loans given to public sector entities rather than the sovereign government<sup>[40]</sup>. For such reasons, it remains unreported to multilateral agencies. However, unlike private sector enterprises, public sector entities and its borrowings are a responsibility of the government that could promote its debt distress. For instance, while Laos has sovereign debt exposure of 30 per cent of its GDP to China, it has cumulative debt exposure of more than 65 per cent (see Table 4). Such huge debt exposure to a single country creates multiple risk factors including payment defaults resulting in various unfavourable demands from the creditor.

**Table 4:** Debt Exposure to China as a Percentage of country's GDP (2000-2017)

Country	Sovereign Debt Exposure	Hidden Debt Exposure	Cumulative Exposure
Cambodia	20%	Less than 1%	21%
Laos	30%	35.4%	65.4%
Myanmar	Less than 10%	Less than 10%	Less than 20%
Vietnam	Less than 10%	Less than 10%	Less than 20%

Source: Malik *et al.* (2021)<sup>[21]</sup>.

BRI led projects supported by China have also been criticised for favouring Chinese companies while providing little scope for participation from international players. In the Muse-Mandalay high speed Railway project, Myanmar government wanted an open tender process that would involve participation from other international players besides the Chinese agencies. However, China's opposition to such a move delayed the negotiation process, further leading to suspension of the project. Similarly, Vietnam has avoided Chinese preferential loans as it imposes conditions such as the use of Chinese technologies, equipment and contractors.<sup>[41]</sup> While China maintains that it has significant knowledge of the terrain and working conditions because of its earlier involvement and its advanced technological capability, its insistence on cutting out competition has led to frustration among local governments seeking sustainable economic benefits. This lack of inclusivity in project bidding processes not only stifles competition but also undermines the potential for skill transfer and technology sharing with local firms, raising concerns about the sustainability of these investments in the long run and their potential role in economic development<sup>[8]</sup>.

**Developmental Cooperation:** With the advent of BRI, China's external developmental outflow has become interlinked with BRI. Such interlinkages promote development of auxiliary facilities that are essential for the

smooth implementation of projects and their operation. However, other aspects of development such as education, health and agriculture receive less focus. For instance, most of the Chinese developmental assistance to Cambodia goes towards road construction while sectors such as education, health and agriculture in total occupy less than 5% of total allocation for developmental assistance<sup>[42]</sup>. Subsequently, linking developmental assistance with BRI is aimed to promote positive image regarding Chinese investments in general and BRI in particular among local communities. For instance, in its attempt to lobby Myanmar government for the rail link project, China's 'CREC group signed an MOU for a Myanmar Railway Talent Training Project in 2017, under which it would provide professional training to more than 200 design and construction technicians' from Myanmar<sup>[43]</sup>.

The allocation share of Overseas Development Assistance (ODA) and Other Official Flows (OOF) in Chinese developmental outflow showcases commercial rather than developmental imperatives (see Table 5). As per the OECD-DAC classification, the ODAs are mainly intended for developmental purposes and contain a grant element exceeding 25%. On the other hand, in OOF the grant element is below 25% and the financing is more commercial in nature. Given widespread public resistance against Chinese investments and economic diplomacy, winning the favour of the people in host countries has become an important factor in the success of BRI. China's white paper

on International Development Cooperation released in 2021 seeks to address this concern. It aims to provide greater project benefits to the host countries by focussing on technology transfer, capacity building along with greater stakeholder consultations <sup>[44]</sup>. However, to what extent will such measures influence outcomes on the ground remains doubtful.

**Table 5:** Amount of funds received from China from 2000-2017

Country	ODA	OOB	Total
Cambodia	2.2	7.76	9.96
Laos	-	12.36	12.36
Myanmar	2.72	6.63	9.35
Vietnam	1.37	16.35	17.72

**Source:** Malik *et al.* (2021) <sup>[21]</sup>.

A large number of actors are involved in the promotion, execution and regulation of the BRI projects including the central and provincial governments, SOEs, different departments and agencies at the central and provincial level which make BRI governance a challenging task. For instance, there are several national government agencies responsible for overseeing various components of the BRI, including the supervision of national SOEs, while each province has its own oversight structure for provincial-level SOEs <sup>[45]</sup>. Also, lack of perceptible changes since the release of white paper could imply that such policy announcements are aimed towards managing perception of Chinese projects rather than an attempt to overhaul the processes and qualitative aspects of BRI.

**Economic Linkages and Strategic Choices for CLMV under BRI:** Political and economic implications of BRI in CLMV countries have shaped their strategic choices in the international domain. For instance, BRI has been an important source of investment in Cambodia that has provided both political and economic benefits. Cambodia's geo-strategic location at the proximity of Malacca Strait makes it a crucial partner in China's strategic calculations. Cambodia has also tried to utilise its economic and strategic potential to promote its ties with China by accommodating Chinese interests and facilitating BRI led investments in the country. Also, the sustained economic growth coupled with Cambodia's deft management of projects using innovative tools such as BOT have consolidated economic ties between China and Cambodia. China's developmental cooperation in areas ranging from skill development to defence training consolidates China-Cambodia relations <sup>[46]</sup>. In an email correspondence with the second author, Sophal Ear (10 April 2024) noted the importance of political imperatives of such economic engagements:

Economic linkages with China have significantly shaped Cambodia's strategic choices, making the country lean more towards China in regional and international affairs. This relationship has provided Cambodia with economic benefits but has also raised questions about Cambodia's ability to make independent strategic decisions. Cambodia often supports China's positions in international forums, reflecting the deepening ties and economic dependence.

Laos is one of the smallest economies in South East Asia challenged by its landlocked geography that hinders its growth and development. In the context of weak economic position, Laos has strongly supported BRI projects as it

would potentially link Laos to Thailand and China, benefitting its economic growth. While Laos has shared close relations with Vietnam in economic and political domain, BRI serves as a lever that shifts its strategic trajectory in China's favour. Given, Vietnam's weaker economic status as compared to China, Laos stands to gain through economic cooperation with China using the BRI framework. Besides, reducing Laos' dependence on neighbouring countries like Vietnam and Thailand, BRI's promotion of economic growth in Laos is expected to provide performance-based legitimacy to the ruling Lao People's Revolutionary Party <sup>[47]</sup>.

In Myanmar, BRI projects have faced consistent challenges due to internal political struggles, armed conflict and local opposition. While Myanmar has hosted Chinese projects since the 1990s, there have been various instances that have shaped Myanmar's perceptions regarding Chinese investments. For instance, strong opposition to the Myitsone Dam project delayed the timeline of Myanmar's entry into BRI. Disagreements between Myanmar and China over the bidding process and former's concern over feasibility of various BRI projects have limited the scope of economic cooperation between the two countries <sup>[48]</sup>. Furthermore, ethnic politics and lately the civil war in Myanmar after the 2021 coup have made it pertinent for China to engage with multiple stakeholders in Myanmar's politics to operationalise BRI projects. For instance, China has facilitated ceasefire between the military junta and Ethnic Armed Organisations (EAOs) to safeguard its investments and operationalise the stalled BRI projects <sup>[49]</sup>. However, China's simultaneous engagement with diverse players involved in power contestations with each other has also negatively affected China's efforts to boost its image and credibility in the region.

The pace of progress of BRI projects in Vietnam have been hindered due to concerns over sustainability of BRI projects and their local impact. Subsequently, the existence of maritime disputes with China, has been an important concern in Vietnam's foreign policy that tries to reduce strategic vulnerability without derailing bilateral relations. While China is one of the most important trade and investment partners of Vietnam, BRI projects have been marred by negative public perception and concerns of the Vietnamese government <sup>[50]</sup>. Major concerns are related to bidding process and debt-overburden of such projects <sup>[51]</sup>. In this context, Vietnam has strategically enhanced its economic ties with China, avoiding explicit use of the BRI label, while also fostering cooperation with diverse global partners.

## Conclusion

The above discussions suggest that BRI investments play a crucial role in facilitating economic cooperation between China and CLMV countries. However, the impact of these investments has varied across countries. In Cambodia and Laos where the BRI projects received considerable political support, incoming investments have bolstered economic growth and strengthened diplomatic ties with China. Conversely, in Myanmar and Vietnam, political challenges and public scepticism have hindered the effective implementation of BRI initiatives, revealing a complex interplay between local governance and foreign investment. Besides such aspects, it is also evident that local policy measures regarding management of finances and innovative



measures such as deployment of BOT model, as in the case of Cambodia, support successful implementation of projects and foster growth and financial sustainability of the host countries. Despite positive scenarios in Cambodia and Laos, it is also important to consider the challenges facing BRI, especially in Myanmar and Vietnam, to ensure a balanced regional development.

In light of multifaceted challenges, it becomes paramount to prioritize the fostering of transparency and inclusivity within project contracts, as these elements play a crucial role in building trust and establishing long-term collaborative relationships between China and the host nations involved. By ensuring that local and international firms have the opportunity to compete on an equal footing for contracts, BRI can address and mitigate public resistance that often arises from perceptions of exclusivity and favouritism. This approach not only serves to alleviate anxieties surrounding foreign involvement but also significantly enhances the overall effectiveness and sustainability of the ambitious BRI.

Furthermore, by prioritizing fair bidding processes and actively involving local stakeholders in critical decision-making processes, host nations can cultivate a profound sense of ownership and shared benefit that resonates throughout the communities impacted by these large-scale projects. Such engagement fosters a partnership dynamic where local entities feel valued and invested in the outcomes of these initiatives. This collaborative methodology advances not only the immediate goals of successful project execution but also strengthens the foundational diplomatic ties between participating countries.

Moreover, the establishment of a framework that promotes equitable competition and stakeholders' participation could lead to a ripple effect; as local firms gain contracts and recognition, this empowers local economies and amplifies innovation. It would result in transformation that aligns with the broader aspirations of economic growth and sustainable development for both China and its partners. Ultimately, nurturing these principles within project frameworks would pave the way for a more resilient partnership - one that promises mutual benefits, enhanced socio-economic stability, and an enduring commitment to shared progress.

## References

1. China aims to elevate BRI cooperation toward higher quality for modernization of all countries. State Council Information Office, the People's Republic of China. Available from: [http://english.scio.gov.cn/m/pressroom/2024-07/19/content\\_117319148.htm](http://english.scio.gov.cn/m/pressroom/2024-07/19/content_117319148.htm). Published 2024.
2. Maliszewska M, Mensbrugge DVD. The Belt and Road Initiative: Economic, Poverty and Environmental Impacts. World Bank Group (Policy Research Working Paper No. 8814). Washington DC; 2019. Available from: <https://documents1.worldbank.org/curated/en/126471554923176405/pdf/The-Belt-and-Road-Initiative-Economic-Poverty-and-Environmental-Impacts.pdf>.
3. Clarke M. The Belt and Road Initiative: China's New Grand Strategy? *Asia Policy*. 2017;13(3):71-79.
4. Kuik C-C. Laos's Enthusiastic Embrace of China's Belt and Road Initiative. *Asian Perspective*. 2021;45(4):735-759. Available from: <https://doi.10.1353/apr.2021.0042>.
5. Chheang V. BRI Projects in Cambodia and Laos Roll On Despite Covid-19. ISEAS Yusof Ishak Institute. Available from: <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-99-bri-projects-in-cambodia-and-laos-roll-on-despite-covid-19-by-vannarith-chheang/#:~:text=BRI%20projects%20in%20Southeast%20Asia,much%20affected%20by%20the%20Covid%2D>. Published 27 July 2021.
6. Foreign investors. Open Development Cambodia. Available from: <https://opendevdevelopmentcambodia.net/topics/foreign-investors/>. Published 29 March 2023.
7. Kuik C-C. Laos's Enthusiastic Embrace of China's Belt and Road Initiative. *Asian Perspective*. 2021;45(4):735-59.
8. Chheang V. BRI Projects in Cambodia and Laos Roll On Despite Covid-19. ISEAS Yusof Ishak Institute. Available from: <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-99-bri-projects-in-cambodia-and-laos-roll-on-despite-covid-19-by-vannarith-chheang/#:~:text=BRI%20projects%20in%20Southeast%20Asia,much%20affected%20by%20the%20Covid%2D>. Published 27 July 2021.
9. Maliszewska M, Mensbrugge DVD. The Belt and Road Initiative: Economic, Poverty and Environmental Impacts. World Bank Group (Policy Research Working Paper No. 8814). Washington DC; 2019. p. 15. Available from: <https://documents1.worldbank.org/curated/en/126471554923176405/pdf/The-Belt-and-Road-Initiative-Economic-Poverty-and-Environmental-Impacts.pdf>.
10. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019. Available from: <https://www.tni.org/en/publication/selling-the-silk-road-spirit>.
11. Myers L. The China-Myanmar Economic Corridor and China's Determination to See It Through. Wilson Center (Asia Dispatches). 2020. Available from: <https://www.wilsoncenter.org/blog-post/china-myanmar-economic-corridor-and-chinas-determination-see-it-through>.
12. Banerjee S. Revamping BRI in post-coup Myanmar. ORF. 8 December 2022. Available from: <https://www.orfonline.org/expert-speak/revamping-bri-in-myanmar-post-coup>.
13. Paing TA. China in Myanmar: How the Game-Changing Neighbor Would Continue to Maintain Its Influence. Stimson Center (Issue Brief). 2024. Available from: <https://www.stimson.org/2024/china-in-myanmar-how-the-game-changing-neighbor-would-continue-to-maintain-its-influence/>.
14. Hiep LH. The Belt and Road Initiative in Vietnam. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019. Available from: [https://www.nids.mod.go.jp/english/publication/joint\\_research/series17/pdf/chapter04.pdf](https://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter04.pdf).
15. China, Vietnam agree to deepen partnership under new circumstances. The State Council, the People's Republic of China. Available from: [https://english.www.gov.cn/news/top\\_news/2017/11/13/content\\_281475940998356.htm](https://english.www.gov.cn/news/top_news/2017/11/13/content_281475940998356.htm). Published 13 November 2017.
16. Vu V-H, Soong J-J, Nguyen K-N. Vietnam's

- Perceptions and Strategies Toward China's Belt and Road Initiative Expansion: Hedging with Resisting. *The Chinese Economy*. 2021;54(1):56-68. Available from: <https://doi.10.1080/10971475.2020.1809818>.
17. Ross RS. China-Vietnamese Relations in the Era of Rising China: Power, Resistance, and Maritime Conflict. *Journal of Contemporary China*. 2021;30(130):613-29. Available from: <https://doi.10.1080/10670564.2020.1852737>.
  18. China releases document on vision, actions for Belt and Road cooperation in next decade. The State Council Information Office, the People's Republic of China. Available from: [http://english.scio.gov.cn/beltandroad/2023-11/24/content\\_116837913.htm#:~:text=The%20document%20specified%20five%20objectives,system%20to%20support%20China's%20open](http://english.scio.gov.cn/beltandroad/2023-11/24/content_116837913.htm#:~:text=The%20document%20specified%20five%20objectives,system%20to%20support%20China's%20open). Published 24 November 2023.
  19. Ibid.
  20. Hiep LH. The Belt and Road Initiative in Vietnam. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019.
  21. Malik AA, Parks B, Russell B, Jiahui JL, Walsh K, Solomon K, *et al*. Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects. AidData at William & Mary, Williamsburg. Available from: <https://www.aiddata.org/publications/banking-on-the-belt-and-road>.
  22. Lao PDR: Country and Industrial Profile. United Nations Industrial Development Organization. Available from: [https://laopdr.un.org/sites/default/files/2021-09/ASP\\_Lao%20PDR%20Country%20Profile%2030July2021.pdf](https://laopdr.un.org/sites/default/files/2021-09/ASP_Lao%20PDR%20Country%20Profile%2030July2021.pdf). Published 2020.
  23. Chheang V, Pheakdey H. Cambodian Perspective on the Belt and Road Initiative. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019. Available from: [https://www.nids.mod.go.jp/english/publication/joint\\_research/series17/pdf/chapter01.pdf](https://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf).
  24. Marsh N. What China's economic problems mean for the world. BBC. Available from: <https://www.bbc.com/news/business-66840367>. Published 29 September 2023.
  25. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019.
  26. Menon J. The Belt and Road Initiative in Cambodia: Costs and Benefits, Real and Perceived. ISEAS - Yusof Ishak Institute (Working Paper No. 2023-1). 2023. Available from: [https://www.iseas.edu.sg/wp-content/uploads/2023/03/ISEAS\\_EWP\\_2023-1\\_Menon.pdf](https://www.iseas.edu.sg/wp-content/uploads/2023/03/ISEAS_EWP_2023-1_Menon.pdf).
  27. Vörös Z, Pongkhao S. Laos and the Belt and Road Initiative: An Interconnector Helping the Chinese Needs? *Foreign Policy Review*. 2020;13:24-38. Available from: <https://real.mtak.hu/120034/>.
  28. Mark, Overland, and Vakulchuk. Sharing the Spoils: Winners and Losers in the Belt and Road Initiative in Myanmar. *Journal of Current Southeast Asian Affairs*. 2020;39(3):381-404.
  29. Mark S, Indra O, Roman V. Sharing the Spoils: Winners and Losers in the Belt and Road Initiative in Myanmar. *Journal of Current Southeast Asian Affairs*. 2020;39(3):381-404.
  30. Gong X. The Belt and Road Initiative Is Still China's "Gala" but Without as Much Luster. Carnegie Endowment for International Peace. Available from: <https://carnegieendowment.org/posts/2023/03/the-belt-and-road-initiative-is-still-chinas-gala-but-without-as-much-luster?lang=en>. Published 3 March 2023.
  31. Shih TH. Controversial Chinese projects in Cambodia bow to public pressure. *South China Morning Post*. Available from: <https://www.scmp.com/article/977985/controversial-chinese-projects-cambodia-bow-public-pressure>. Published 3 September 2011.
  32. Kuik C-C. Laos's Enthusiastic Embrace of China's Belt and Road Initiative. *Asian Perspective*. 2021;45(4):735-59.
  33. Factbox: Myanmar suspends controversial Myitsone Dam. Reuters. Available from: <https://www.reuters.com/article/business/environment/factbox-myanmar-suspends-controversial-myitsone-dam-idUSTRE78T15S/>. Published 30 September 2011.
  34. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019; p. 23.
  35. Hiep LH. The Belt and Road Initiative in Vietnam. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019.
  36. Horn S, Reinhart C, Trebesch C. China's Overseas Lending. Kiel Institute for the World Economy (Working Paper No. 2132). 2019. Available from: [https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/Christoph\\_Trebesch/KWP\\_2132.pdf](https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/Christoph_Trebesch/KWP_2132.pdf).
  37. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019.
  38. Horn S, Reinhart C, Trebesch C. China's Overseas Lending. Kiel Institute for the World Economy (Working Paper No. 2132). 2019.
  39. Hiep LH. The Belt and Road Initiative in Vietnam. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019.
  40. Sok S, Pheakdey N, Piseth K, Tepsamol C. China-Cambodia cooperation within the Belt and Road Initiatives (BRI) Context, supporting Cambodia's Economic Growth and Social Development. *Journal of Chakrabongse Bhuvanarth International Institute for Interdisciplinary Studies*. 2023;1(1):10-38.
  41. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019.
  42. China's International Development Cooperation in the New Era. The State Council Information Office of the People's Republic of China. Available from: [https://english.www.gov.cn/archive/whitepaper/202101/10/content\\_WS5ffa6bbbc6d0f72576943922.html](https://english.www.gov.cn/archive/whitepaper/202101/10/content_WS5ffa6bbbc6d0f72576943922.html). Published 10 January 2021.
  43. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019; p. 7.
  44. Chheang V, Pheakdey H. Cambodian Perspective on the Belt and Road Initiative. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019.
  45. Kuik C-C. Laos's Enthusiastic Embrace of China's Belt and Road Initiative. *Asian Perspective*. 2021;45(4):735-



- 59.
46. Transnational Institute. Selling the Silk Road Spirit: China's Belt and Road Initiative in Myanmar. 2019.
  47. Paing TA. China in Myanmar: How the Game-Changing Neighbor Would Continue to Maintain Its Influence. Stimson Center (Issue Brief). 2024.
  48. Vu V-H, Soong J-J, Nguyen K-N. Vietnam's Perceptions and Strategies toward China's Belt and Road Initiative Expansion: Hedging with Resisting. *The Chinese Economy*. 2021;54(1):56-68.
  49. Hiep LH. The Belt and Road Initiative in Vietnam. In: NIDS Joint Research Series No. 17. National Institute for Defense Studies, Tokyo; 2019.