

IMPACT OF BELT AND ROAD INITIATIVE (BRI) ON CENTRAL AND SOUTH ASIAN REGIONAL INTEGRATION

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Annotation: *It discusses how infrastructure projects under the BRI have the potential to bridge connectivity gaps, stimulate economic growth, and foster greater regional cooperation. However, it also addresses concerns regarding debt sustainability, sovereignty issues, and geopolitical tensions that have arisen in the context of BRI investments. Furthermore, the article evaluates the role of key stakeholders such as China, Russia, India, and the countries of Central and South Asia in shaping the trajectory of regional integration within the framework of the BRI. It considers the evolving geopolitical landscape and the implications for regional security, trade dynamics, and diplomatic relations. Overall, this article provides a comprehensive analysis of the Impact of Belt and Road Initiative (BRI) on Central and South Asian Regional Integration, offering valuable insights for policymakers, researchers, and stakeholders interested in the geopolitics and economics of the Eurasian region. For data analysis, several databases have been utilized likewise, UN-Comtrade, World Bank, World Integrated Trade Solution (WITS), etc. Data analysis part has done with the application of Stata.*

Key words: *Belt and Road Initiative (BRI), regional trade patterns, Central and South Asia, infrastructure development, regional integration, case study.*

**ВЛИЯНИЕ ИНИЦИАТИВЫ «ОДИН ПОЯС, ОДИН ПУТЬ»
(ОПОП) НА РЕГИОНАЛЬНУЮ ИНТЕГРАЦИЮ ЦЕНТРАЛЬНОЙ И
ЮЖНОЙ АЗИИ**

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Аннотация: В статье обсуждается, как инфраструктурные проекты в рамках ОПОП могут ликвидировать разрывы в связности, стимулировать экономический рост и способствовать более широкому региональному сотрудничеству. Однако в ней также рассматриваются проблемы, связанные с устойчивостью долга, вопросами суверенитета и геополитической напряженностью, которые возникли в контексте инвестиций в ОПОП. Кроме того, в статье оценивается роль ключевых заинтересованных сторон, таких как Китай, Россия, Индия и страны Центральной и Южной Азии, в формировании траектории региональной интеграции в рамках ОПОП. В ней рассматривается меняющийся геополитический ландшафт и последствия для региональной безопасности, динамики торговли и дипломатических отношений. В целом, эта статья представляет собой всесторонний анализ влияния инициативы «Один пояс и один путь» (BRI) на региональную интеграцию Центральной и Южной Азии, предлагая ценную информацию для политиков, исследователей и заинтересованных сторон, интересующихся геополитикой и экономикой Евразийского региона. Для анализа данных также использовались несколько баз данных, UN-Comtrade, Всемирный банк, World Integrated Trade Solution (WITS) и т. д. Часть анализа данных была выполнена с использованием Stata. Ключевые слова: инициатива «Один пояс и один путь» (BRI), региональные торговые модели, Центральная и Южная Азия, развитие инфраструктуры, региональная интеграция, тематическое исследование.

Ключевые слова: Инициатива «Один пояс, один путь» (ОПОП), региональные торговые модели, Центральная и Южная Азия, развитие инфраструктуры, региональная интеграция, тематическое исследование.

INTRODUCTION

Belt and Road Initiative (BRI) is one of the noteworthy initiatives of the Chinese government. It has been intended to interface neighboring 65 nations to enhance inter-regional international trade. This research focused on impact of initiative on Central and South Asian regional integration under BRI framework. Central and South Asia, characterized by diverse geopolitical interests and historical complexities, have emerged as focal points of the BRI's implementation. The article explores how the BRI has influenced the dynamics of regional integration in these regions, considering factors such as infrastructure investments, economic interdependence, and geopolitical alignments. By examining case studies and analyzing data, the article provides insights into the opportunities and challenges presented by the BRI for Central and South Asian countries.

MAIN PART

"China is a sleeping lion. Let him sleep, because when he wakes up, he will shake the whole world," Napoleon Bonaparte said at the time. Centuries later, this lion not only woke up, but also roared. This was especially confirmed in 2013 when the President of the People's Republic of China, Xi Jing Ping, announced the geopolitical initiative: "One Space, One Road" as part of the implementation of the "Chinese Dream" strategy. Inspired by its ancient Great Silk Road trade route, the One Place One Road project aims to create a common interest, responsibility and shared destiny with 4.4 billion people in 65 countries in Europe, Asia and Africa. The project accounts for about 32% of the world's gross domestic product, 39% of trade and 63% of the world's population. [1]



Figure 1: Map of Main Belt and Road Initiative Land and Sea Routes.

Source: Wikimedia Commons.

Seeing new business and trade opportunities from the initiative, many cite its benefits for growth and development. Others urged caution, noting the serious risks of developing countries defaulting on project-related debt, infrastructure stranding, and damage to local communities and the environment. According to World Bank research, "One Space One Road" transport corridors have the potential to significantly improve trade, foreign investment and living conditions for the citizens of the countries participating in the project, but China and other countries in the corridor will increase economic transparency, expand trade and Debt stability and mitigation, environmental, social and corruption risks can be reduced only if deeper political reforms are adopted. Project transport corridors will help in two important processes: 1) reduction of travel time, 2) increase of trade and investment. Along the economic corridors, the study estimates that travel times will be reduced by up to 12 percent after completion. Travel times with the rest of the world are estimated to decrease by an average of 3% Trade will also increase dramatically, albeit unevenly, for the project economy. According to the study, the economy of the project corridors is predicted to grow from 2.8 to 9.7 percent, and for the world economy from 1.7

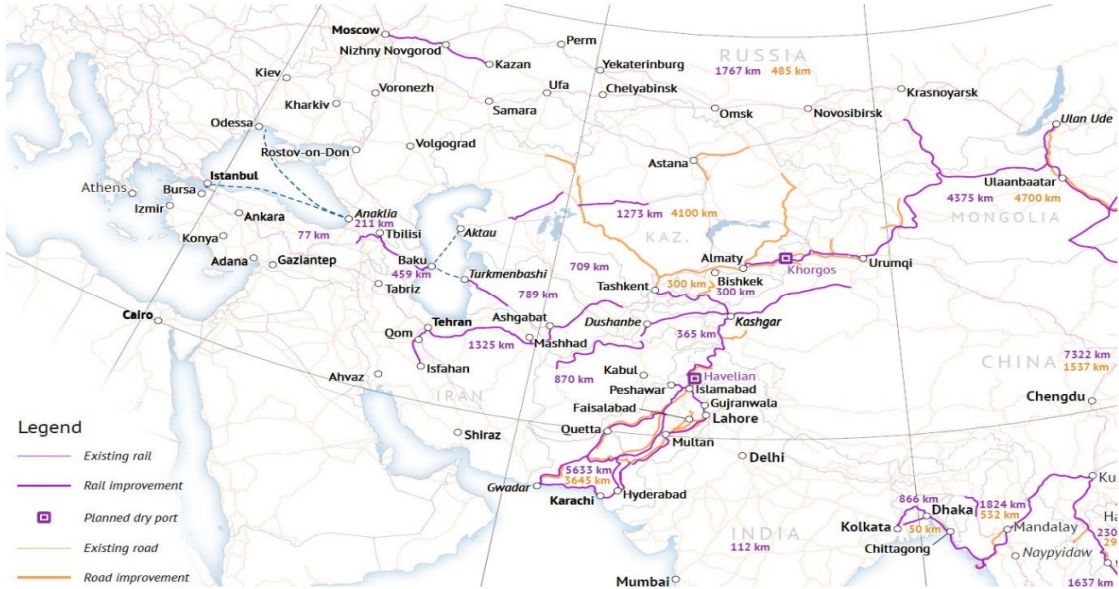
to 6.2 percent. Importantly, foreign direct investment in low-income countries is expected to increase significantly by 7.6 percent due to new transport links. [2]

One of the fundamental pillars of the BRI is infrastructure development, which serves as the backbone for enhancing connectivity between Central and South Asia. According to data from the Asian Development Bank (ADB), between 2013 and 2020, over \$300 billion in infrastructure investments were allocated to Central and South Asia under the BRI framework. [3] These investments have led to the construction of key transportation corridors, such as the China-Pakistan Economic Corridor (CPEC) and the Trans-Caspian International Transport Route, which have significantly reduced transportation costs and facilitated the movement of goods and services across borders. Furthermore, the BRI has spurred significant inflows of Foreign Direct Investment (FDI) into Central and South Asia, catalyzing economic growth and development in the region. According to the United Nations Conference on Trade and Development (UNCTAD), FDI inflows to Central Asia increased by 56% between 2013 and 2019, reaching a total of \$53 billion. [4] Similarly, South Asian countries have also experienced a surge in FDI inflows, with investments directed towards sectors such as infrastructure, energy, and manufacturing, driven by the opportunities created by the BRI. Moreover, the BRI is fostering trade integration by creating new economic corridors and revitalizing ancient trade routes that traverse Central and South Asia. According to data from the World Bank, trade between China and Central Asian countries grew by an average annual rate of 18% between 2013 and 2020, reaching a total of \$54 billion in 2020. Similarly, trade between China and South Asian countries has also expanded significantly, with bilateral trade volumes exceeding \$150 billion in 2020, driven by improved connectivity and trade facilitation measures under the BRI. [5]

Central and South Asia stand at the nexus of the Belt and Road Initiative (BRI), a monumental endeavor by China to foster connectivity and cooperation

across continents. At the heart of this initiative lie the corridors – strategic pathways of infrastructure development, trade facilitation, and economic integration. This article delves into the significance of BRI corridors in driving regional integration in Central and South Asia, elucidating their transformative potential through a comprehensive analysis. BRI corridors have evolved from historical trade routes to modern networks of connectivity, transcending geographical barriers and fostering economic synergies. Central Asian corridors such as the China-Central Asia-West Asia Economic Corridor and the New Eurasian Land Bridge have revitalized ancient Silk Road routes, linking China with Europe via Central Asia. In South Asia, corridors like the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) are forging new pathways for trade and investment, enhancing connectivity between landlocked regions and maritime hubs. BRI corridors serve as drivers of regional integration by promoting infrastructure development, trade expansion, and economic cooperation. Through investments in roads, railways, ports, and energy networks, these corridors bridge infrastructure gaps, catalyzing economic growth and development. By streamlining customs procedures, reducing trade barriers, and harmonizing regulations, BRI corridors facilitate cross-border trade and investment, fostering a seamless flow of goods, services, and capital across borders. China-Pakistan Economic Corridor (CPEC): CPEC exemplifies the transformative impact of BRI corridors in South Asia. Stretching from China's western region to Pakistan's Gwadar Port, CPEC encompasses infrastructure projects ranging from highways and railways to energy pipelines and industrial zones. By connecting China's hinterland with Pakistan's coastline, CPEC has bolstered trade linkages, spurred economic development, and positioned Pakistan as a key gateway for China's trade with South Asia, the Middle East, and beyond. Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC): BCIM-EC embodies the vision of enhanced connectivity and economic

cooperation in South Asia. Linking the economies of Bangladesh, China, India, and Myanmar, this corridor seeks to leverage geographical proximity and complementarities to promote trade, investment, and regional integration. Through investments in infrastructure projects such as highways, railways, and ports, BCIM-EC aims to unlock the economic potential of South Asia's hinterland and facilitate seamless connectivity between landlocked regions and maritime trade routes. Despite their transformative potential, BRI corridors face challenges such as financing constraints, geopolitical complexities, and environmental concerns. Addressing these challenges requires sustained cooperation, transparency, and inclusive development strategies. However, the opportunities presented by BRI corridors – including enhanced connectivity, expanded trade, and shared prosperity – far outweigh the challenges, offering



Central and South Asia a pathway to sustainable development and regional integration in the 21st century.

Figure 2. Transport corridors of BRI.

Source: Wikimedia Commons

CONCLUSION

In conclusion, Belt and Road Initiative (BRI) corridors represent pivotal pathways towards regional integration in Central and South Asia, offering transformative opportunities for economic development, trade expansion, and

infrastructure connectivity. Through case studies like the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC), we have witnessed the tangible impact of BRI corridors in bridging infrastructure gaps, fostering economic cooperation, and unlocking the region's vast potential. However, amidst the promise of progress, it is imperative to address the challenges and obstacles that countries face in realizing the full benefits of BRI corridors. Financing constraints, geopolitical tensions, environmental sustainability, and governance issues pose significant hurdles that require concerted efforts and innovative solutions. To improve the effectiveness and sustainability of the BRI, several key recommendations can be considered: ***Enhanced Transparency and Accountability***: Greater transparency in project financing, procurement processes, and environmental assessments is essential to build trust and mitigate risks associated with BRI investments. Strengthening accountability mechanisms and promoting stakeholder engagement can foster greater transparency and ensure that BRI projects align with national development priorities and sustainable development goals. ***Inclusive Development Strategies***: BRI projects should prioritize inclusive development strategies that benefit local communities, address socio-economic disparities, and promote equitable growth. Investing in human capital development, skills training, and capacity-building initiatives can empower communities to participate in and benefit from BRI-related opportunities, fostering social cohesion and shared prosperity. ***Environmental Sustainability***: Environmental sustainability should be integrated into the planning, design, and implementation of BRI projects to mitigate negative environmental impacts and promote green growth. Embracing renewable energy technologies, promoting eco-friendly infrastructure practices, and adhering to international environmental standards can help minimize ecological footprints and ensure the long-term sustainability of BRI investments. ***Multilateral Cooperation and Dialogue***: Multilateral cooperation and dialogue among BRI participating countries,

international organizations, and civil society actors are crucial for addressing common challenges, promoting best practices, and fostering synergies in BRI implementation. Platforms for information exchange, policy coordination, and joint capacity-building can facilitate greater collaboration and solidarity in advancing shared development objectives. ***Risk Management and Contingency Planning:*** Given the inherent uncertainties and risks associated with large-scale infrastructure projects, robust risk management frameworks and contingency plans are essential to anticipate and mitigate potential challenges. Conducting thorough risk assessments, diversifying funding sources, and establishing risk-sharing mechanisms can enhance the resilience of BRI investments and minimize adverse impacts on host countries. [Author's edit] By embracing these recommendations and adopting a holistic approach to BRI implementation, countries can harness the full potential of BRI corridors to promote sustainable development, foster regional cooperation, and build a more prosperous and interconnected future for Central and South Asia. As we navigate the complex landscape of regional integration and infrastructure development, let us seize the opportunities presented by the Belt and Road Initiative to create a more inclusive, resilient, and sustainable path towards shared prosperity and progress.

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