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Xi Jinping's Haunted Highways are the New Ghost Cities

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Even as the world remains spooked by “ghost cities,” it is falling under the spell of Xi Jinping’s own hocus pocus: his One Belt, One Road infrastructure plan which will ultimately lead to a network of haunted highways, once again proving that a disembodied zeal for growth can lead to spectral outcomes in China.

Word that ghost cities—cities without inhabitants—had sprouted across China’s great expanse left international observers agog. China’s growth engine had churned senselessly and scenes reminiscent of The Twilight Zone were splashed across the pages of business newspapers and foreign affairs journals. China’s newly minted all-powerful leader has now conjured up an even grander growth program and the world is bewitched, as top Wall Street executives and national presidents dance to this sorcerer’s tune.

President Xi has set out a plan to build a vast network of infrastructure across the Eurasian landmass, with links to Africa and beyond, hoping to restore China as the center of the world, cement markets by pouring actual cement and establish China as the major trade and geopolitical partner for nations across a modern Silk Road network. This potent concoction is so intoxicating that few contrary voices are heard, yet it is poisonous brew.

It is wholly unclear that China can even afford this grand scheme with a price tag equal to its GDP. While the vagueness of the timeline softens the focus, big greenfield projects tend to balloon in cost and China has a history of announcing big things that never fully materialize.

Another question is whether the nations that form exits and on-ramps to this superhighway are internally stable enough to justify long-term investment, including Iran, Pakistan and Saudi Arabia, as well as Indonesia, the Southeast Asian giant where a court convicted the ethnically Chinese former Jakarta Governor of blasphemy and sent him to prison. China’s plans seem to be a lot like the United States’ expansive Cold War efforts to insert itself into the complex internal politics of nations in South America, one of modern history’s most notable failures.

Building roads and bridges may yield more meaningful influence than covert CIA plots, but the United States also tried to use infrastructure spending to gain influence in other complicated places around the world only to watch its gains quite literally blow up as conflict erupted on the ground.

During this period, the United States, directly and indirectly through the World Bank and USAID, planned, funded and constructed numerous foreign heavy infrastructure projects, including in some of the very countries that are to be part of the Belt and Road initiative such as Iran, Laos and Lebanon. Through ensuing revolutions and wars, many of these projects were bombed out of existence.

Turning to economic questions regarding return on investment, how is Mr. Xi hedging these massive and very long-term financial bets against the risk of disruptive shifts in production and energy technology such as localized commercial scale 3D printing, advanced distributed solar power generation, or even solar powered air travel, all of which may make heavy land- and sea-based transportation systems and midstream energy links partially obsolete? What good is a land-based shipping system designed to speed the delivery of finished goods when products are manufactured locally on demand? What is the point of more industrial port capacity when carbon based fuels, a principal driver of port traffic, are steadily being replaced by renewable, primarily solar, energy?

I'm guessing that China's new strongman has not calculated these risks in this mega-bet which doubles down on 20th Century energy sources and patterns of commerce. Rather it seems that Belt and Road is driven by the more immediate need to make China appear to still be robustly growing and because Chinese builders need more projects to stay busy at a time when the country has overbuilt its own infrastructure and there are few mega-projects left to undertake—you can build only so many ghost cities.

Finally, Xi's splashy new plans are not the first experience of exported Chinese infrastructure development. They have been at it for years in several countries in Africa. Many of these interactions have been less than ideal, often marred by faulty construction practices and business models which enrich the Chinese companies involved but have little benefit for the host communities. China has not received high ratings on its African infrastructure expeditions.

Whatever highways and other structures Mr. Xi does manage to construct under Belt and Road will be haunted by the ghosts of these flawed projects and by a shortsighted planning process that ultimately fails to consider the earthly concerns of actual nations and the evolving needs of actual living people. Like the broken bits of the Chinese Wall, these haunted highways will stand as tombstones from an ancient graveyard, memorials to a lost moment of grand but thoughtless ambition.