

Geopolitical strategists fabricated BRI ‘debt-trap diplomacy’ narrative

By Melissa Harrison

As the Citizens Party has reported, the recent political war-mongering over the Solomon Islands’ security deal with China has escalated to dangerous levels. In a 21 April 2022 editorial, the *Australian* claimed that China had obtained a geopolitical stranglehold over the Solomon Islands through the Belt and Road Initiative, insultingly accusing Prime Minister Manasseh Sogavare of “becoming Beijing’s pawn” and “betraying the freedom and sovereignty of [the] Solomon Islands and its people”. The *Australian* claimed that China sought to “consolidate the hold it has gained over Solomon Islands and to suborn other similarly corrupt and vulnerable Pacific Island states into falling for Beijing’s self-serving debt-trap diplomacy”.

Australians should be aware that allegations of China’s “debt-trap diplomacy”, which are now being used to agitate for war, are completely baseless. Rather, the debt-trap narrative was fabricated and promoted by “national security” apparatchiks, and proponents of British geopolitical theories that define international relations as a zero-sum game, in which the progress of one nation can only come at the expense of others. Their agenda is to distort the perception of China’s infrastructure vision, so it isn’t viewed as a positive contribution to global economic development that can help raise billions from poverty—as it was initially greeted by Australia and many other countries—but entirely in geopolitical terms, as motivated solely by China’s alleged ulterior motive of dominating the world.

Origin of ‘debt trap’

After years of relentless promotion, the concept of China’s “debt-trap diplomacy” has been so successfully embedded in the public consciousness that it is reported as self-evident. The term “debt-trap diplomacy” is credited to an Indian academic, Professor Brahma Chellaney, who coined the phrase in a 23 January 2017 article for *Project Syndicate*. Chellaney claimed that through the Belt and Road Initiative (BRI), China malevolently extends large loans to developing nations to support strategically located infrastructure projects, with the ultimate aim of ensnaring countries in a debt-trap, rendering them “vulnerable to China’s influence” and “neocolonial designs”.

Chellaney proclaimed that Sri Lanka was “Exhibit A” of China’s debt-trap diplomacy. According to Chellaney, China had loaned Sri Lanka a large sum to build the strategically located Hambantota Port, knowing that Sri Lanka would be unable to repay the debt. China then seized the port in exchange for debt relief, intending to use it to host Chinese naval vessels.

However, Chellaney’s “debt-trap diplomacy” allegations have since been thoroughly discredited by numerous academic researchers (*AAS*, 22 May 2019). In the specific example of Sri Lanka, the Hambantota Port project, which predates the BRI by several years, was not a Chinese proposition, but was solicited by the Sri Lankan government after requests for funding from the United States and India were rebuffed. The port project was a commercial venture awarded to a Chinese firm, which experienced myriad troubles because of Sri Lankan governance and funding issues. Sri Lanka’s debt distress was not caused by Chinese loans, but by structural problems in the economy and the government’s excessive borrowing from Western capital and the International Monetary Fund (IMF). There was also no debt-for-asset swap! Rather, a Chinese company leased the Hambantota Port for

99 years for \$1.1 billion, and Sri Lanka used this money to pay off debts. Additionally, the Sri Lankan government has dismissed security concerns over the port, where it hosts its own southern naval command; the final lease agreement forbids military activity without government invitation.

Although Chellaney’s debt-trap allegations were baseless, accusations of China’s “predatory lending practises” spread rapidly throughout Western mainstream media, think tanks, and national security and intelligence circles. (Notably, the 21 April 2022 *Australian* claimed that PM Sogavare had “failed to learn the lessons of countries such as Sri Lanka”.) China’s “predatory economics”, allegedly implemented through debt-laden infrastructure projects, was denounced by senior figures in Washington such as then-US Secretary of State Rex Tillerson, and was framed as a national security threat in the December 2017 US National Security Strategy.

As observed by Subhashini Abeyasinghe, Sri Lankan economist and Research Director of the Colombo-based Verité Research, before the port episode “Sri Lanka could sink into the Indian Ocean and most of the Western world wouldn’t notice”.¹ Now, however, Sri Lanka was Washington’s poster child for denouncements of China’s “debt-trap diplomacy”, and is still widely used in Western mainstream media as a cautionary tale against nations joining the BRI.

National security establishment

It is no accident that the contrived Chinese “debt-trap diplomacy” narrative was rapidly embraced and promoted as fact by the US national security and defence establishment, because national security-associated sources fabricated the allegations.

The term’s originator, Chellaney, is a geostrategist and Emeritus Professor of Strategic Studies specialising in international security and arms control issues at the New Delhi-based (and substantially foreign-funded) think tank, the Centre for Policy Research. Chellaney has held appointments at a number of prominent Anglo-American institutions, including Harvard University, the Brookings Institution, Johns Hopkins University, the Australian National University, and the International Centre for the Study of Radicalisation at King’s College in London.

Revealingly, Chellaney’s January 2017 article was published in *Project Syndicate*, “in partnership” with the Australian Strategic Policy Institute (ASPI), for which Chellaney is a long-time contributor. ASPI is an Australian government-funded defence think tank, which also receives significant funding from foreign governments, including the US State Department and the British government. ASPI has poisoned the Australia-China relationship through its promotion of deliberate anti-China disinformation and dangerous



Professor Brahma Chellaney coined the phrase “debt trap diplomacy” in an article he wrote in partnership with the Australian Strategic Policy Institute. Photo: Screenshot

1. Deborah Brautigam and Meg Rithmire, “The Chinese ‘Debt Trap’ Is A Myth”, *The Atlantic*, (theatlantic.com) 6 February 2021

warmongering. In mid-2021, the US Department of the Air Force's *Journal of Indo-Pacific Affairs* included a hostile anti-China contribution by General Kenneth S. Wilsbach of the US Indo-Pacific Command, in which Wilsbach asserted that Chellaney had coined the "debt-trap diplomacy term" for ASPI.

Debtbook Diplomacy

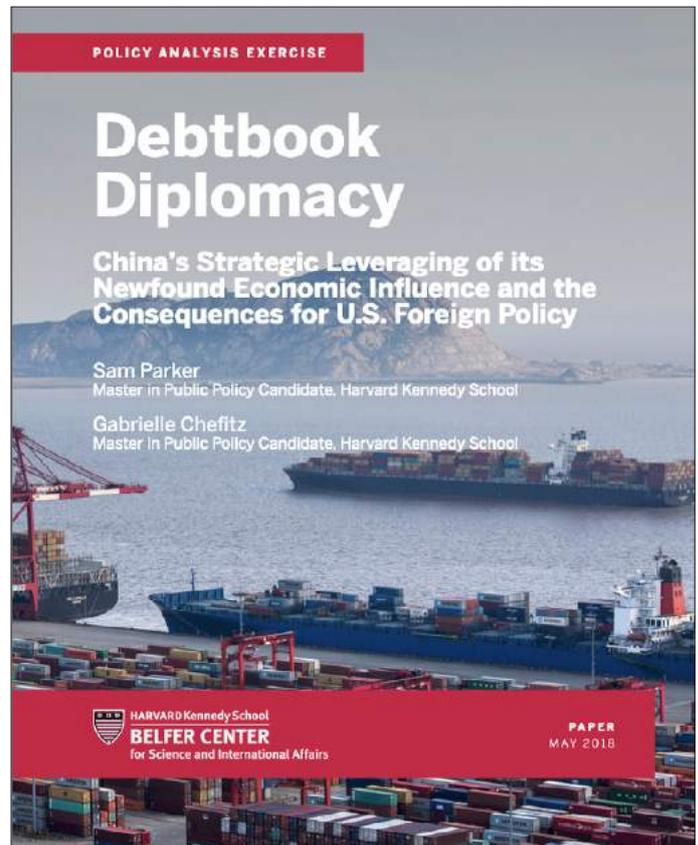
In early 2018, the Chellaney/ASPI-instigated debt-trap allegations intensified. The 14 May 2018 *Australian Financial Review* sensationally announced a "Secret US warning of China 'debt trap' on Australia's doorstep", reporting that it had obtained a copy of an unclassified report produced by "Harvard University researchers", which had been "presented to the US State Department".

The report, *Debtbook Diplomacy: China's Strategic Leverage of its Newfound Economic Influence and the Consequences for US Foreign Policy*, repeated the Sri Lankan debt-trap narrative and predominantly referenced Western mainstream media sources for its allegations against China. *Debtbook Diplomacy* warned that China had saddled Australia's Southeast Asian and Pacific Islander neighbours with unrepayable infrastructure loans, which "[gave] Beijing crucial economic leverage to gain strategic and military power". The report listed sixteen nations which were identified as vulnerable to China's "economic coercion"; however, the authors acknowledged that their "Country Vulnerability Assessment" scores were "not scientific".

Western media sensationally promoted *Debtbook Diplomacy* as academic proof of China's predation; however, notably, the report was authored by two second-year Master in Public Policy students, Sam Parker and Gabrielle Chefitz. The year-long "Policy Analysis Exercise" was conducted out of Harvard Kennedy School's Belfer Center; the report's March 2018 publication date indicated that the project was initiated shortly after the Chellaney/ASPI "debt-trap diplomacy" accusations surfaced.

Although *Debtbook Diplomacy* was authored by students, the influence of the national security and defence establishment was evident. According to the *AFR*, the report "emerged out of an earlier classified version written confidentially last year [2017] for United States Pacific Command (PACOM)", under the US Department of Defence. The report's primary author, Sam Parker, was temporarily deployed to PACOM in 2017 as an academic fellow, where he conducted research on "anticipating and countering Chinese efforts to displace US influence in South Asia and Oceania", according to his bio in *Debtbook Diplomacy*. Prior to this, Parker served at the US Department of Homeland Security as the Special Assistant to the Assistant Secretary for Public Affairs. The report's co-author, Gabrielle Chefitz, previously worked as a Research Assistant for the Washington Institute for Near East Policy, a neo-conservative think tank which includes former US Secretary of State Henry Kissinger, former CIA Director James Woolsey, and former Assistant Secretary of Defence Richard Perle (known as "the Prince of Darkness") on its Board of Advisors.

Debtbook Diplomacy asserts that "Since World War II, the US has enjoyed effectively unchallenged economic and military dominance in the Pacific, buttressed by a strong alliance system and an unparalleled basing network to support American power projection. But China's rise is upending that favorable landscape. ... China's loans undermine the US's ability to use its own economic assistance to promote US security objectives." If Southeast Asian and Pacific Island countries "were to turn to China", this "could undermine US strategic denial and exclusive [military] basing rights, eroding US advantage in any future US-China conflict."



The originally secret report that spread a geopolitical interpretation of the BRI to hype it as a threat, which it isn't, except to US unipolar dominance.

Notably, the report reveals the nub of the tension, which is that the USA's Wall Street-dominated economy cannot match China's state bank-led economy. It admits that the US and its allies "cannot offer public-private investment at anywhere the scale of Chinese BRI funding", observing that "[o]n a macro level, the US lacks the will and the resources to remotely challenge the massive scale of Chinese BRI investment".

Debt-trap allegations escalate

The "secret" *Debtbook Diplomacy* report (which is now publicly available on the Belfer Center's website) preceded an escalation of attacks against the Belt and Road Initiative from the US national security and defence establishment and senior figures in the Trump Administration.

For example, on 4 October 2018, US Vice President Mike Pence claimed that China was using "debt-trap diplomacy" to "expand its influence" by "offering hundreds of billions of dollars in infrastructure loans to governments". Pence repeated the Sri Lankan debt-trap narrative and claimed, without evidence, that the port "may soon become a forward military base for China's growing blue-water navy".

The same month, US Secretary of State Mike Pompeo accused China of "predatory economic activity", and asserted that China bribed senior leaders in countries "in exchange for infrastructure projects that will harm the people of that nation".

At the 13 December 2018 presentation of the Trump Administration's New Africa Strategy, US National Security Advisor John Bolton claimed that China unleashed "the strategic use of debt to hold states in Africa captive to Beijing's wishes and demands. ... Such predatory actions are sub-components of broader Chinese strategic initiatives, including 'One Belt, One Road'—a plan to develop a series of trade routes leading to and from China with the ultimate goal of advancing Chinese global dominance." Bolton alleged that China's activities significantly threatened US national security, and he outrageously threatened African nations that if they took

action which was “counter to US interests”, they would not receive American foreign aid. Aid would only be given where it “advance[d] US interests”.

British imperial schemers behind ‘debt-trap’ allegations

Significantly, *Debtbook Diplomacy* was a project of Harvard Kennedy School’s prestigious Belfer Center for Science and International Affairs. The Belfer Center’s board is stacked with highly influential figures who have held senior policy-making positions in the US government, particularly in defence, national security and intelligence. Numerous board members are concurrently appointed to positions in prominent think tanks, or in influential institutions such as the Council on Foreign Relations, the Trilateral Commission or the Bilderberg Group.

Belfer’s board members and alumni include prominent China-hawks who have been instrumental in shaping Anglo-American foreign policy towards China. For example, former Belfer senior fellow Kurt Campbell was the key architect of the Obama Administration’s “pivot to Asia”. In 2021, the Biden Administration appointed Campbell to Deputy Assistant to the President and Coordinator for Indo-Pacific Affairs in the National Security Council. Notably, Professor Brahma Chellaney, originator of the “debt-trap diplomacy” narrative, is an alumnus of the Belfer Center.

According to the 14 May 2018 *AFR*, *Debtbook Diplomacy* was written under the supervision of former US Assistant Secretary of Defence, Professor Graham Allison, the founding dean of Harvard Kennedy School and a Belfer Center board member, who teaches Central Challenges in American National Security, Strategy and the Press. *Debtbook Diplomacy* appeared to closely reflect Allison’s own opinions—the *AFR* reported that Allison said China has a portfolio of “economic warfare”, including “cheque book” diplomacy, bribery and trade leverage. “The Chinese have been smart about this for a long time”, he said. “Economic balance of power will become more powerful than the military balance of power.”

Notably, Allison has been a protégé of geopolitician and former US Secretary of State Henry Kissinger for over fifty years; in addition, the Belfer Center itself is effusive in its praise of Kissinger and has hosted numerous events in his honour. Belfer alumni and board members who are influential contributors to Anglo-American China policy, are associates or former students of Kissinger. In an 11 July 2017 interview with Kissinger at the Harvard Club in New York, which took place when Allison was supervising *Debtbook Diplomacy*, Kissinger described the Belt and Road Initiative (which he referred to as One Belt One Road) as a “huge notion”, which was the “projection of China across Eurasia”.

It is evident that Kissinger views the Belt and Road Initiative within the geopolitical doctrine of Halford Mackinder (1861-1947), a British geographer considered to be the father of so-called “geopolitics”. In 1904 Mackinder declared that Eastern Europe, Central Asia and Russia, also called the “Eurasian Heartland”, were the “pivot area” of world geopolitics; asserting that whoever controlled the Heartland would command the world.² Kissinger was highly influenced by Mackinder’s Heartland theory, warning in his 1994 book *Diplomacy* that: “Geopolitically, America is an Island off the shore of a large landmass of Eurasia, where resources and population far exceed the United States. The domination by a single power of either of Eurasia’s two principle spheres—Europe or Asia—remains a good definition of strategic danger to



Harvard Kennedy School dean Professor Graham Allison interviewing his mentor Henry Kissinger. Photo: Screenshot

America.... For such a grouping would have the capability to outstrip America economically, and the end, militarily.” The Citizens Party has documented the Mackinder doctrine’s influence over the United States’ modern “Indo-Pacific Strategy” (*AAS*, 20 January 2021). Kissinger was himself effectively a British agent while in the US government, confessing later that as an American national security advisor under the Nixon and Ford Administrations, he “kept the British Foreign Office better informed and more closely engaged than I did the American State Department”.

In Mackinder’s terms, Kissinger told Allison that the BRI was “a concept for the organisation of Eurasia with China as the leading power. ... When the theory of geopolitics was first developed by Mackinder, he wrote about Central Asia being the heartland of geostrategic thinking. In a way that’s what this is. It’s an assertion that the world will have to redefine itself.”

Kissinger acknowledged that there was a danger that US-China military escalation in the South China Sea could one day “get out of hand”, but stated that he was not worried about that. Rather, Kissinger was “worried about the One Belt One Road. But there’s no way we can stop it, because it’s not a military plan. It is a plan that tries to create infrastructure projects all over Central Asia, high-speed railways to the Europe ... it organically links these territories.”

Given Allison’s oversight role, it is not surprising that the student authors of *Debtbook Diplomacy* reflected such British geopolitical concepts in their report. For example, the report asserts that “debtbook diplomacy” is “by itself neither an economic tool nor a strategic end. Rather, it is an increasingly valuable technique deployed by China to leverage accumulated debt to advance its existing strategic goals. Three strategic targets for debtbook diplomacy would be: filling out a ‘String of Pearls’ to project power across vital South Asian trading routes; undermining US-led regional opposition to Beijing’s contested South China Sea claims; and supporting the PLAN’s [People’s Liberation Army Navy] efforts to break out of the First Island Chain into the blue-water Pacific.”

It is clear from this examination of the debt-trap narrative that the fear of those pushing this view is not actually of China projecting its power all over the world; rather, they fear that by China cultivating good relations with many other countries, the USA would start to be constrained in its ongoing ability to project military power globally, including against China. With its power diminished in this way, the USA would no longer be able to enforce the neoconservative Wolfowitz doctrine that it must stop the rise of any possible military or economic rival—spelling the end of the Anglo-American empire and unipolar world order. While this is the ultimate nightmare to the neocons controlling US and UK foreign policy, to most of the rest of the world—who are weighing up China’s approach of win-win cooperative economic development against the Anglo-American powers’ never-ending regime change wars and “rules-based order” enforcement of the Wall Street-City of London system of economic looting—it is an increasingly welcome development.

2. “Xinjiang: China’s western frontier in the heart of Eurasia, Part 1”, *AAS*, 18 November 2020