



The Eurasia Center/EBC Brief

The Building Back Better World Initiative – B3W

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Building Back Better World Initiative (B3W): The G7 and New Commitments

The post-Cold War dominance the US achieved, sees in front of itself Beijing, making big strides in matters concerning influence over nations by virtue of its hard and soft power. The main source in that regard can be traced back to the ever expanding and costly Belt and Road Initiative. In the wake of the economically devastating Covid-19 pandemic, the G7 nations met in Cornwall to discuss the Building Back Better World (B3W) initiative, to handle the rebuilding of the global economy.



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The challenge presented is to narrow the 40 trillion USD infrastructure requirement of the developing world (Mohanty, 2021). It is of no surprise that Covid-19 has made the need to fill this infrastructure gap more acute. Through B3W, the G7 and like-minded partner nations intend to coordinate in rallying private-sector investment in four specific areas, i.e., climate

change, health and health security, digital technology, and gender equity and equality (The White House, 2021). As its name suggests, B3W will be a global in its scope with the main arm of the initiative devoted to lower-middle class nations. Various U.S. agencies, such as the Development Finance Corporation, USAID, EXIM, the Millennium Challenge Corporation, and the U.S. Trade and Development Agency, and Transaction Advisory Fund, will be mobilized to assist the initiative to their fullest. Another facet of the B3W is to tackle China's ambitious mammoth, otherwise known as the Belt and Road Initiative (BRI). The initiative, stretching from East Asia to Europe,

consists of many infrastructure and development programs, and is seen as a way for China to significantly increase its political and economic clout, globally. The BRI aims at creating a vast network of railways, energy pipelines, highways, and border

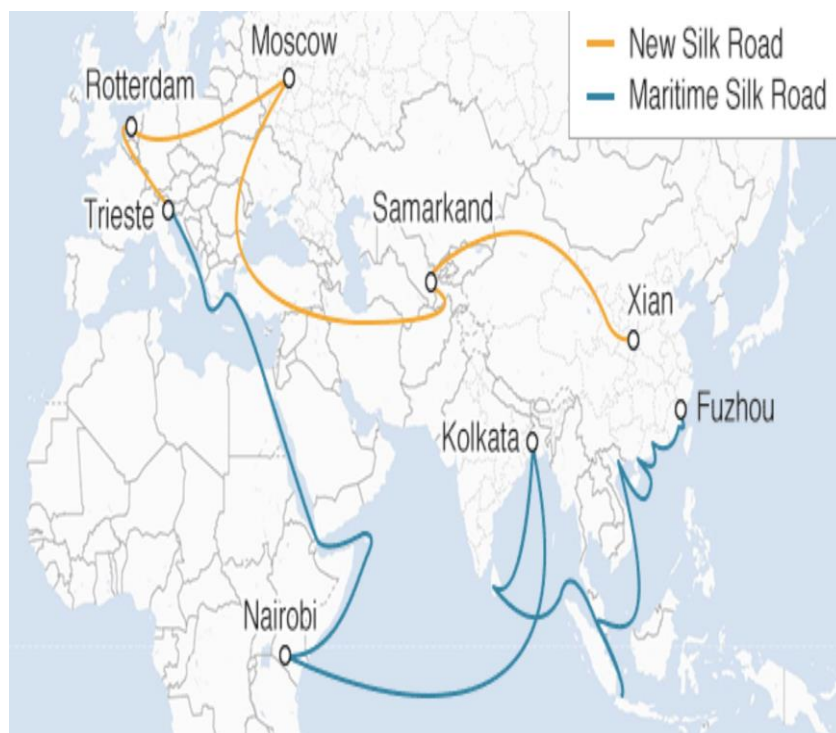


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crossings, both westward and eastward, through former Soviet states, and to Pakistan, India, and subsequently Southeast Asia. Such a network is intended to drastically expand the international usage of Chinese currency, the Renminbi (Chatzky, 2018). The website green-bri.org states that there are a total of 140 countries that have joined "BRI by signing a Memorandum of Understanding (MoU) with China". Of these, 34 are in Europe & Central Asia, 40 are in Sub-Saharan Africa, including 18 in the European Union and 24 countries in East Asia & Pacific (Wang, 2021).

The B3W, through financing its own developing economies, plans to counter the BRI, and Chinese influence. The White House has stressed that B3W will be "a values-driven, high-standard, and transparent infrastructure partnership led by major



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democracies." This goes to show that the likely recipient of the B3W funding will be nations aligned with the West. The funding for the B3W plan also follows a different path, instead of relying solely on expenses being met from the government budget(s), a large part of the capital is to be raised from the private sector. The details of how such an amount will be raised have however not yet been provided. As per Refinitiv, 59% of the BRI projects are owned by government and related entities whereas the private sector accounts only for 26%.

The BRI has also fulfilled most of its infrastructural promises. A good example of this is the Laos Phonethong Bridge, the construction of the main structure of Phonethong Bridge, the longest China-Laos Railway bridge with a length of 7,528.56 meters. It was completed in June 2021. The efficiently managed construction process has strengthened confidence in the timely completion of the railway, which is one of BRI's most significant projects. The bridge's aim is to help Laos' strategy to transform itself from a landlocked country to a land-linked one by December of 2021, the Xinhua News Agency reported in June.

With Covid -19 ravaging the global economy, projects such as the BRI and the B3W will hold immense importance. The failing health networks and supply chains in developed and developing nations, throughout the pandemic, have brought the need for a coordinated global effort to bring about stability to the socio-economic framework of the global economy in the spotlight. Such initiatives as the B3W and the BRI through their promised funding, will play a great role in how business will react to the ever-changing order of globalization.

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