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## Environmental Degradation in South Asia and China's Belt and Road Initiative

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### Introduction

Questions of environmental security have always been of key relevance for South Asia, shaping agricultural output and the live realities of millions of people in the region. The region is also no stranger to environmental extremes, ranging from seasonal droughts to annual monsoons. Due to its continued dependence on agricultural production as well as the frequency of natural disasters, South Asia is amongst the main regions likely to be hit severely by the negative environmental impact of climate change. Rising sea levels in particular, threaten to submerge island States such as the Maldives and Sri Lanka alongside the low coastal geographies of the region. The detrimental impact of climate change on regional affairs adds another policy issue for countries in the region, many of which already struggle to develop responses to growing national populations while also seeking to combat endemic poverty. South Asian economies have partially been successful in poverty alleviation efforts through rapid industrialization, spurred on by liberal economic reforms (Gnangon, 2018; Manni, 2012; Onafowora & Owoye, 1998) that have helped to enable rapid regional GDP growth since the 1990s (World Bank, 2021).

Many South Asian countries now find themselves in a transitional phase marked by increased urbanization and industrialization, with industrialization in particular resulting in growing greenhouse gas (GHG) emissions and surging environmental degradation. Via liberalizing reforms, regional actors such as Bangladesh and India have partially adopted development models heavily focused on the expansion of heavy industries, resulting in growing industrial output and heightened environmental degradation. Growing degradation, in turn, further intensifies resource scarcity, undermines agricultural productivity and intensifies extreme weather patterns (Zakaria & Bibi, 2019). Apart from the immediate environmental impact of climate change on South Asia, the effects of global warming and growing environmental degradation are thus also economic in nature and have come to disproportionately affect economically disadvantaged communities (Ascensão et al., 2018; Chen, 2014). Economic growth through liberalization and industrialization, while generating short-term gains, has thus heightened the exposure of South Asia to environmental degradation and correlated risks.

China's much-discussed Belt and Road Initiative (BRI), announced by Beijing in 2013, will exacerbate these trends. By investing in physical infrastructure throughout the world, including in South Asia, China seeks to consolidate and expand its global economic and political role, and further facilitate global economic interactions (European Bank for Reconstruction and Development, n.d.). Although the BRI puts much rhetorical emphasis on investing in renewable energy projects, concerns regarding its environmental sustainability, ranging from growing habitat destruction and an increase in GHG emissions, prevail. Indeed,

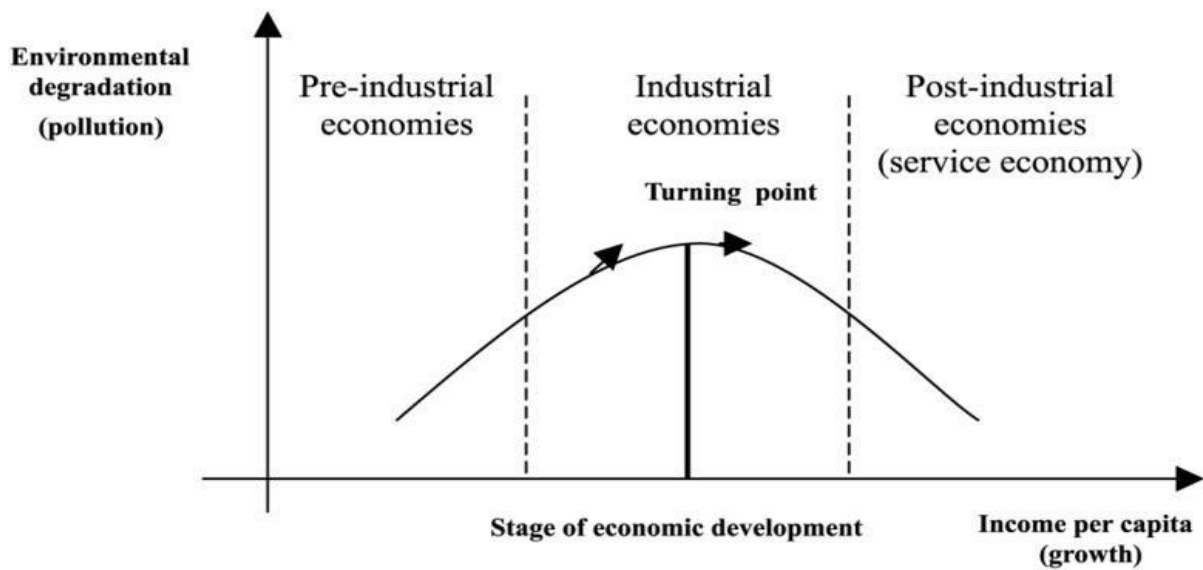
both the focus on facilitating increased trade as well as the construction of physical infrastructure could further exacerbate the environmental issues present in the region. Beyond the immediate economic and political implications, a growing Chinese role in South Asia may have, the BRI is likely to also carry key environmental implications.

This paper situates the BRI in the context of environmental trends in South Asia. Firstly, the paper reviews the structural environmental issues facing the region today. Testing the applicability of the Environmental Kuznets Curve (EKC) in South Asia, the paper finds that growing industrialization and urbanization have heightened environmental degradation in the region. The paper then moves on to first discussing how two intergovernmental organizations, SAARC and SACEP, have responded to the challenges posed by growing degradation. Finding that regionalized policies have remained mostly ineffective, the paper then reviews environmental regulation policies in four selected cases: Bangladesh, Myanmar, Pakistan and India. With regulations often remaining underdeveloped, the infrastructure-driven logic of the BRI may further heighten environmental degradation in the region. While Chinese investment can be structured in a more sustainable manner, for instance through an investment emphasis on renewable energy sources, increased transparency and improved environmental protocols may be required, at the least, to restructure Chinese expansionism in a more ecologically friendly way.

### **The EKC and Environmental Degradation in South Asia**

The EKC, named after the American economist Simon Kuznets, models how environmental degradation relates to stages in industrial development. Growing industrialization can generally be seen to have adverse effects on the environment due to the growing emission of GHG into the atmosphere, resulting in the intensification of pollution, habitat destruction and resource scarcity (Teo et al., 2019). The EKC (see Figure 1 below) stipulates that growing environmental degradation becomes a product of the transition of pre-industrial societies, mostly marked by agricultural production and a low level of economic income, to industrial societies in which income levels rise. According to the EKC, degradation only begins dropping once the national economy has surpassed the industrial stage and has become less reliant on resource-intensive industrial production, transitioning into a service-dominated economy.

**Figure 1: The EKC**



*Source: Yassin & Aralas (2019).*

Environmental trends in South Asia generally correspond to the development trajectory observed in the EKC as pollution through growing industrialization has become one of the key environmental characteristics of South Asia. Unlike East and Southeast Asia, South Asia has been a relative latecomer in industrial terms (Kumar, 2020a), meaning that South Asian economies had to industrialize rapidly in order to offset the relative late launch of industrial production. Pollution has increased as a direct result of this rapid industrialization (The Energy and Resources Institute, 2019). Levels of air pollution as a result of significant GHG emissions, for instance, can be treated as an indicator for the extent of environmental degradation. Air pollution is primarily measured in particulate matter (PM<sub>2.5</sub>). The concentration of harmful materials suspended in the air is measured in  $\mu\text{g}/\text{m}^3$  (pollution in micrograms/cubic meter), with  $10 \mu\text{g}/\text{m}^3$  being defined by the World Health Organization (WHO) (2005) as the long-term guideline for acceptable levels of air pollution. In South Asia, however, the annual mean in air pollution levels between 1990 and 2015 was  $24 \mu\text{g}/\text{m}^3$  (Krishna et al., 2017), more than twice as much as deemed acceptable by the WHO. Air pollution is even more extreme in urban areas, with 91.2% of the region's population living in areas that register pollution rates of  $35 \mu\text{g}/\text{m}^3$ , making South Asian air some of the most polluted in the world (Krishna et al., 2017). Most of this pollution is the product of growing economic activity, primarily in urban areas (Usman et al., 2019). Growing industrialization is also positively correlated with growing rates of urbanization: although South Asia as a whole is still not as urbanized as other developing regions, urbanization has increased and is usually paired with a decrease in environmental protection and growing environmental degradation (Satterthwaite, 2009). As such, industrialization, demographic growth and urbanization reinforce the growing emission of GHG (Vallero, 2014). Environmental trends in South Asia thus follow the model developed by Kuznets.

Growing environmental degradation has multifaceted effects that can come to negatively shape the long-term sustainability of economic growth models. Heightened urbanization and the extent of air pollution in urban areas, harmful for the inhabitants of these spaces, results in a growing necessity for governments to invest in public health services. More extreme weather patterns also mean that much of the land becomes less cultivable, with weather patterns likely to become more extreme as degradation increases (Kan et al., 2012, p. 17). This is especially an issue for countries such as India and Pakistan, where almost half of the cultivable land is already arid or extremely degraded (Kakakhel, 2012). Considering that nearly 60% of South Asia's population is employed in the agricultural sector (Trading Economics, 2021), growing environmental degradation poses not just structural issues for short-term economic revenues and employment structures but also for long-term food security considerations. These trends, shaping revenues and government expenditures, have direct economic effects: for a big economy like India, for instance, the total cost of air pollution is estimated to range between 4.5% and 7.7% of the national GDP and is likely to double by 2060 (The Energy and Resources Institute, 2019). Growing resource scarcity issues exacerbated by global warming also overlap with potential health issues, for instance as water scarcity can lead to water-borne diseases (Ebi & Hess, 2020). As such, the current extent of environmental degradation, which is likely to rise further as industrialization increases, will create additional economic and governance problems for the region.

India, for example, has increasingly been hit by ever-harsher hurricanes, which are most destructive and prevalent in low-lying coastal regions (Hasnat et al., 2018). Crucially, the frequency and severity of hurricanes have intensified as a result of global warming (Kossin et al., 2020). Climate change has also been proven to increase the intensity and frequency of droughts across India in periods of low rainfall, which is detrimental to agricultural production and negatively informs food security for all species (Kreft et al., 2016). Similarly, extreme rainfall in monsoon regions can also undermine sustainable agricultural production. Although environmental events such as monsoons and droughts are not man-made, their frequency and the extent of their impact has become a direct outcome of human activity.

Environmental degradation will also result in the enhanced habitat destruction of non-human animals. Structural trends leading to habitat destruction (such as increased urbanization, industrialization and population growth) will likely fuel a kind of vicious cycle of human development and expansion at the expense of the habitat of other animals. The matter of habitat destruction has become increasingly integrated into conversations on environmental protection in the region, with all regional actors being signatories to the 'Strategic Plan for Biodiversity 2011–2020 of the Convention on Biological Diversity', which seeks to safeguard biodiversity and habitats (Clark, 2013). There have been additional initiatives to utilize the Convention to also cover the period 2021-2030, indicating the participating countries' desire for a more sustainable future.

Besides the destruction of habitat and biodiversity, resource scarcity and subsequent competition for natural resources and land could also emerge as an issue for political and potentially armed conflict in the future. Competition for increasingly scarce resources has already emerged as a source of conflict and a push-factor for migration for parts of Africa

severely hit by the impact of climate change (Hussona, 2021), and climate change and adverse environmental trends seem at least indirectly linked to the outbreak and sustenance of armed conflict (Nordås & Gleditsch, 2015). Water scarcity may not only increase the competition between groups within a country but between countries more generally: India and Pakistan, for instance, share transboundary water resources but have so far failed in finding mutually agreed upon water management mechanisms. The potential implications of growing water scarcity could also provide additional leverage for Beijing, which controls the upstream flow of water to the Indus, Ganges, Brahmaputra, Irrawaddy and Salween (Singh & Tembey, 2020). For countries like Bangladesh, which derives 91.4% of its water supply from external sources (Khalid et al., 2014), this creates a major strategic issue as water scarcity could be artificially induced. The competition for resources, especially in regard to water security, could thus manifest another way through which climate change comes to shape political processes in the region.

To conclude, environmental degradation is likely to emerge as one of the main policy issues in South Asia in the coming years and decades. Crucially, environmental issues present not an isolated policy area but are connected to other policy issues, ranging from public health to economic sustainability and political security.

### Intergovernmental Policies

The transnational nature of environmental issues has resulted in some multilateral efforts to address climate change. SAARC, the South Asian Association for Regional Cooperation, which includes all South Asian States bar Myanmar, has moved to expand its focus from economic and trade issues to one that also seeks to include the protection and management of fragile ecosystems. As with other policy areas, however, SAARC's efficacy as a regional organization remains undermined by regional tensions and antipathies, most notably between India and Pakistan (Zafarullah & Huque, 2018). This overarching lack of integration has led to difficulties with harmonization strategies in general, including in regard to environmental protection regulations. To tackle the far-reaching implications of climate change on regional affairs, a more concrete and distinct concerted effort by all States in the region would be required.

An intergovernmental organization which takes the environment as its primary concern is the South Asia Co-operative Environment Program (SACEP), again consisting of all regional States besides Myanmar. SACEP has enacted a variety of policies with regards to environmental protection concerns such as conserving national resources, pollution assessment and control, and the conservation of ecosystems. Yet, while SACEP covers a wide range of issue areas, the organization lacks concrete and well-substantiated policy goals, has only vague mentions of member States implementing policies, and relies on external donors to fund its projects (Sarker et al., 2018). Especially the financing structure hints at SACEP being created as a response to the efforts by the UN Environment Programme (UNEP) advocating for more and better cooperation on environmental issues in South Asia. As a result, both SAARC and SACEP have only registered minor successes in the effort to create a regional approach to tackling climate change.

In line with the general trend observable in regard to multilateralism and regional integration in South Asia, collective regional responses have remained weak or absent. Constrained by distrust between member States, regional responses have hence been of limited efficacy. Responding to environmental issues has consequently remained a largely national task.

### Selected Cases of National Environmental Regulations

Environmental degradation can be seen as one of the greatest challenges currently facing Bangladesh. The country has been ranked the 6th most climate-affected country in the world by the Germanwatch Global Climate Risk Index (2017) as it is vulnerable to all effects of global warming, including growing floods, storms, landslides and rising sea levels (Chowdhury et al., 2020; Environmental Justice Foundation, n.d., Kreft et al., 2016). The implementation of effective environmental policies is also key to ensure the sustenance and sustainability of the Bangladeshi agricultural sector (Remais et al., 2014). Domestic lawmakers have sought to involve various governmental agencies in the formulation and implementation of environmental policies, ranging from the Ministry of Power to the Ministry of Environment and Forests and the Sustainable Energy Development Authority. Policy initiatives have predominantly focused on the reduction of methane emissions and on facilitating research into innovative technologies and their implementation. The National Energy Policy seeks to encourage more sustainable ways of production, distribution and use of energy while real estate development initiatives focus on the use of renewable energy sources to reduce emissions. Lastly, the private sector, in combination with non-governmental organizations, has also been setting up initiatives in order to help support climate change policies (Chowdhury et al., 2020). In recent years, climate change has emerged as a key area of policy interest in Bangladeshi politics.

While all of these initiatives seem to be steps in the right direction, their results leave room for significant improvement. Energy consumption has increased further as the national population has grown, coal power continues to be utilized despite clean energy initiatives and corruption undermines the implementation of environmental initiatives on the ground (Manni & Afzal, 2012). This highlights that the design of policy is insufficient if this policy is not also implemented in practice. Bangladesh's economic and demographic trajectory makes it appear likely that GHG emissions and associated issues connected to pollution will only increase in the coming years if no further regulatory steps are taken.

Pakistan's environmental policies find their roots in the 1983 Pakistan Environmental Protection Ordinance (PEPO) and have evolved into the National Environmental Action Plan (NEAP) of 2001. Besides the formulation of environmental policies on a national level, Pakistani businesses and government agencies are also expected to make use of the Environmental Impact Assessment (EIA), which can be defined as *"a process of examination, analysis, and assessment of planned activities with a view to ensuring environmentally sound and sustainable development"*, including the *"collection of data, prediction of impacts, comparison of alternatives, evaluation of mitigatory and compensatory measures, and the formulation of environmental management and training plans"* (Riffat et al., 2006, p. 17-18).



The formulation of management tools such as the EIA indicates that environmental concerns play at least some role in the mind of Pakistani lawmakers.

Yet, just as in Bangladesh, the actual implementation of these tools and initiatives is largely inadequate. The ultimate impact of the EIA remains weak as it is not an integral part of policy and operates on a project-by-project basis rather than serving as a generally implemented framework (Riffat et al., 2006). Moreover, in a study on the implications of energy policy in Pakistan, researchers have found that while social, technical and economic aspects are taken into account, the implications on environmental degradation seem to be disregarded (Hassan et al., 2019). This prioritization of short-term economic benefits over long-term impacts is again consistent with the EKC (Manni & Afzal, 2012). Pakistan thus requires improvement in both the formulation and implementation of environmental regulations. This could be brought into fruition in the form of better communication models and the independent evaluation of policy innovations and leadership, growing public participation, enhanced interaction between the government and the scientific community, and a more explicit focus on the environment as a shared public good.

Myanmar has been a latecomer in regard to the formulation and implementation of environmental protection regulations and has been ranked as one of the world's worst countries concerning environmental management and resource degradation. While present environmental policy responses exist, they are underdeveloped and do not focus on concrete goals, with current measures also not being fully implemented (Asian Development Bank, 2015). As a result, deforestation and overfishing remain pervasive issues in Myanmar (Aung, 2017). In combination with often weak governmental structures, now once again challenged by the 2021 military coup, the lack of governmental regulations means that accountability processes are largely absent (Raitzer et al., 2015). Similar to Pakistan, Myanmar thus has environmental policies and impact assessments but lacks the political-institutional infrastructure to thoroughly actualize these policies in practice.

As mentioned above, India - because of its size and the size of its economy - is faced with a number of environmental issues and aligns with the development observable in the EKC. India has a long track record regarding environmental policies dating back to the 1970s (Greenstone & Hanna, 2014). Although numerous environmental policies, such as different Five Year Plans, the Environment (Protection) Act, the Forest (Conservation) Act and the National Forest Policy have been adopted and are currently in place, many of these initiatives have not produced the desired outcomes (Ganguly, 2015; Greenstone & Hanna, 2014; Usman et al., 2019). The most recent large-scale legislation has been the 2006 National Environment Policy, which reflects on the need for environmental regulation in developmental processes, the fact that degradation is occurring due to economic and demographic growth, and that any polluter has to bear the costs for pollution (Indian Government, 2006). While legislations have made some gains in combating air pollution, they have proven less effective in improving the water quality in the country, producing adverse public health effects (Greenstone & Hanna, 2014). It is also notable that bottom-up policies, for example from grassroots movements or localized government levels, have been more successful in ensuring environmental protection (ibid). Confirming these findings, Sinha and Bhatt (2017) have

found that environmental policies implemented at the municipal level have improved energy efficiency and lowered emissions. Bottom-up approaches may thus be an underused way of curbing emissions. That said, bottom-up approaches also cannot fully balance the role of the overarching energy sector in producing emissions, which is likely to continue as demand grows.

While the present environmental policies in place in India are a useful starting point for further regulations, they are still not stringent and comprehensive enough to facilitate the required change. Measures which could be taken to improve these regulations throughout the region would be the inclusion of energy sectors in developing environmental policy, a carbon tax, additional control measures, enhanced public awareness for the environment, and a focus on environmental regulation as a bottom-up approach (Greenstone & Hanna, 2014; Kumar, 2020b; Sinha & Bhatt, 2017; Usman et al., 2019). Some of the most influential non-governmental groups are formed by activist movements of indigenous women in the region. These eco-feminist movements advocate women-friendly alternatives that could help to alleviate gender discrepancies as well as environmental degradation (Mies et al., 2014). Such activist movements indicate the potential of bottom-up incentives with regards to informing the public and making meaningful environmental changes.

### **Environmental Degradation and the BRI**

For China, which has increasingly inserted itself into South Asian affairs through the BRI, the transition into a more economically and environmentally sustainable growth model should become a key policy objective. Structurally, China and South Asian countries share overlaps: China too has urbanized and industrialized rapidly, resulting in growing pollution. China is currently the largest polluter in the world with 10.06 gigatons of CO<sub>2</sub> emitted in 2018, almost twice as much pollution as has been created by the United States (UCSUSA, 2020). As in South Asia, air pollution, especially in urban areas, has created and exacerbated health issues for the Chinese citizenry (Kan, 2009). For China too, health issues as a result of pollution are likely to threaten long-term growth rates due to declining agricultural yields and dropping labour productivity alongside growing health expenditures and worsening mortality rates (OECD, 2016). In this context, the term ‘ecological civilization’ or “Shēngtài wénmíng” (生态文明) has gained traction in Chinese political discourse since 2007 and has since been defined as “*a socialist-ecological future with Chinese characteristics*” by the Chinese government, aiming to develop a more environmentally sustainable form of socioeconomic growth (Hansen, 2018). This notion of a socialist-ecologist future has become a dominant staple of Chinese elite discourse in the years since and was made part of the Chinese constitution in 2018 (ibid). China has also taken active steps to go beyond ecological signalling and has invested heavily in renewable energy sources (Chiu, 2017). China is now the world’s largest renewable energy producer in wind and solar energy (ibid). China has also invested in renewable energy sources (Chiu, 2017) and initiatives such as the Ecological Civilization Policy and the Law on the Prevention and Control of Environmental Pollution by Solid Waste have been passed into



domestic law (Hughes, 2019). At least domestically, China has invested in renewable energy resources and energy transition more generally.

Whether this growing domestic focus on environmental sustainability is also replicated in the case of the BRI, however, is uncertain. On a fundamental level, infrastructure development is likely to severely affect ecosystems and biodiversity in its construction areas (Politi, 2021). Moreover, the exact investment focus of BRI investments is also likely to shape environmental trends in the future: The Silk Road Fund, for instance, one of the main financing bodies of the BRI, was found to have concentrated 90% of its energy sector investment in fossil fuel projects (Nakano, 2019). Although China has since invested considerable efforts in portraying the BRI as environmentally friendly (ibid), concerns consequently remain regarding the practical capacity (and willingness) of China and BRI partners to enforce environmental regulations and act in an environmentally sustainable way (Losos et al., 2019).

What is more is that the BRI is underpinned by a clear developmental logic of industrial growth that is likely to further intensify environmental degradation. For China, the construction of physical infrastructure, for instance regarding transport and energy networks, has played a foundational role in the rapid economic development of the country since Deng Xiaoping initiated market reforms in the late 1970s (Chuan, 2008; Sahoo et al., 2010). In the Chinese experience, infrastructure investment follows a *“virtuous cycle of infrastructure development”*, implying the assumption that growing investment will make goods and services more competitive, thus benefiting national socioeconomic development (Gordon et al., 2020). The BRI exports this infrastructure-driven growth model (ibid), including to South Asia. Infrastructure investments are thus likely to exacerbate environmental issues if they are not sufficiently regulated and focused on utilizing renewable forms of energy consumption.

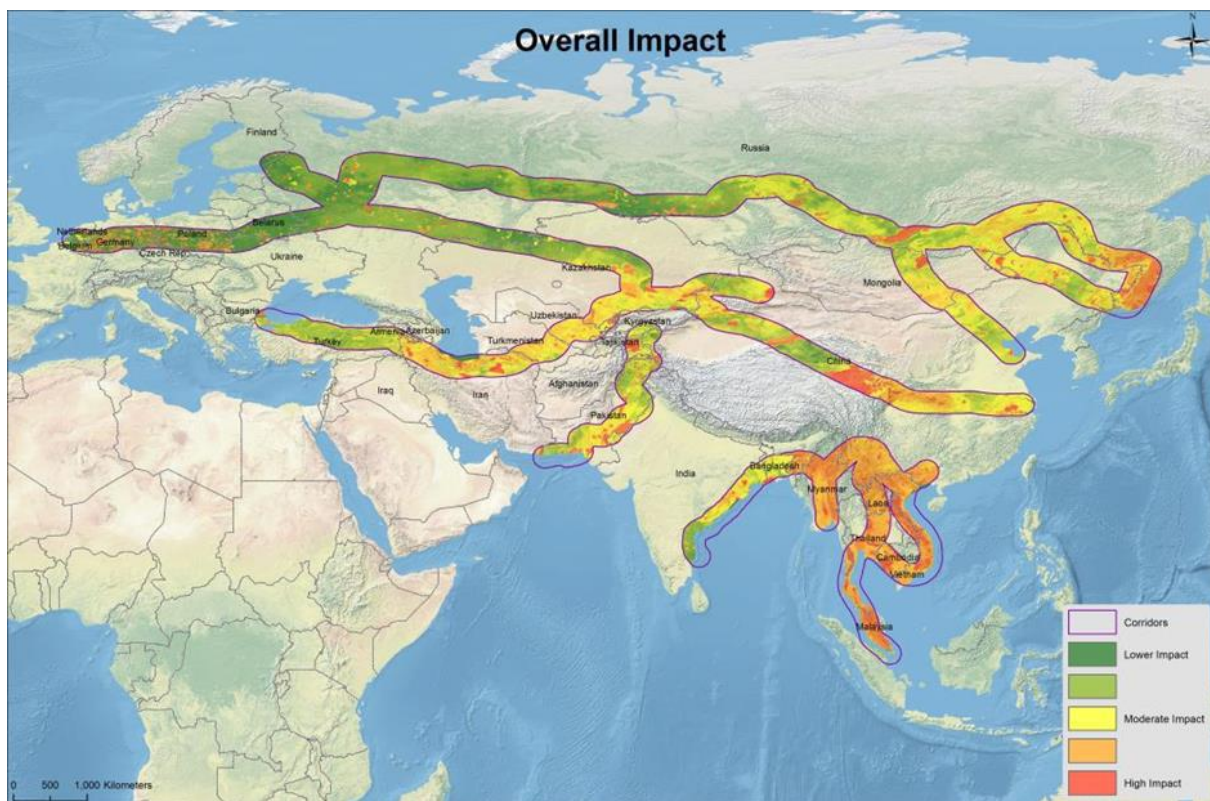
For example, in the case of Pakistan, the envisioned China-Pakistan Economic Corridor (CPEC) bears several environmental hazards and climate change vulnerabilities apart from legal conflicts in terms of international law with regard to the disputed territory of Gilgit Baltistan. As explained by Kouser, Subhan and Abedullah (2020), one of the major environmental risks is related to the energy projects, where three quarters of the newly planned energy will be generated from traditional coal-fired power plants in Sindh, Punjab and Balochistan. Coal power plants are major contributors to the emission of CO<sub>2</sub> and smog, which ultimately lead to global warming, acid rain, low traffic visibility, and the development of diseases such as asthma, bronchial infection and other lung problems (ibid). Another major environmental risk stemming from CPEC is the large-scale deforestation for the purposes of constructing road networks (ibid). Sadaqat (2017) states that in 2017 more than 54,000 fruit and non-fruit trees have been cut down in the districts of Abbottabad, Nowshera, Lower Dir, Swabi, Mardan, and Malakand. As analysed by Kouser, Subhan and Abedullah (2020) given that a tree can absorb 50 pounds of CO<sub>2</sub> per year, after the substantive deforestation, 2.7 million pounds of CO<sub>2</sub> were not absorbed by trees in these districts in 2017 and thus are still accumulating in the atmosphere. Therefore, these areas are already at high danger from climate change, which manifests itself in the form of rising temperatures, droughts, soil erosion, rains, and glacier melting, all of which contribute to severe flooding (ibid). Vehicle trafficking is another associated hazard of CPEC, given that road networks such as the Karakorum Highway expects

to carry 7000 trucks per day, which would release 36.5 million tons of CO<sub>2</sub> (ibid). As earlier mentioned, such air pollution will further contribute to acute health issues and environmental damage.

Beyond the construction of hard infrastructure, enhanced trade via the BRI could further prove detrimental for ecological sustainability as enhanced openness for trade may intensify environmental degradation. Generally speaking, South Asian countries once again find themselves at the crossroads of having to choose between some of the short-term economic benefits potentially produced by the BRI and the long-term negative ecological and, ultimately, economic impacts this investment will likely have. The extent to which this is a risk can be mitigated, for instance by focusing investments on renewable energy production and thus counteracting the sustained use of fossil fuels by developing economies (Sarkodie & Strezov, 2018). Some argue that the BRI could thus be used as a tool for a transition into more sustainable forms of energy production. However, one questions how likely that is given Chinese expansionist designs behind such projects and the underlying political and social factors in South Asian countries that could obstruct such transition. In addition, as argued by (Vuksanovic, 2021, n.p.), *“one of the motives behind the Chinese Belt and Road project is outsourcing pollution and environmental degradation to poorer, distant countries with a dire need for infrastructure financing and socioeconomic development, whose governments will ignore the environmental risks”*.

That is particularly visible from the case of Myanmar. In 2009 a China-owned company sponsored a plan for a huge hydroelectric dam at Myitsone, exporting 90% of the electricity to China instead to electricity-deprived Myanmar (Gupta, 2020). In 2011, due to the discovery of a declassified report issued by the China Power Investment Corporation, which raised the possibilities of the disruption of river flow, disappearance of a migratory fish species and flooding of 26,238 hectares of rainforests, large-scale protests organized by local residents halted works on the project (ibid). However, later, an investigation committee under the supervision of Aung San Suu Kyi conducted a report, and while acknowledging the lack of environmental and social assessment on behalf of the project, decided to proceed on economic grounds (ibid).

When it comes to the loss of wildlife, the World Wildlife Fund (WWF) published a Briefing Paper in 2017 on the impact of the BRI initiative on biodiversity and natural resources, by looking at where BRI corridors intersect with important areas for biodiversity and natural resources. The report found that the BRI corridors overlap with 1,739 Important Bird Areas or Key Biodiversity Areas and 46 biodiversity hotspots or Global 200 Ecoregions, alongside with overlapping with the range of 265 threatened species including 39 critically endangered species and 81 endangered species (Li and Shvarts, 2017). All protected areas through which BRI corridors passed were potentially impacted (ibid).



*Source: WWF (2017)*

Increased transparency and subsequent public scrutiny could hereby help to jeopardize an investment focus on fossil fuel energy projects, creating an incentive to concentrate investment in the renewable energy sector. Enhanced transparency would also allow for a better enforcement of environmental regulations, especially in countries in which regulations are not developed comprehensively. Yet, as argued by numerous European companies seeking involvement in China's BRI, the lack of information on deals and "non-transparent" procurement systems were big barriers for participation not only on behalf of EU and non-EU bidding firms but also development banks like the World Bank and the Asian Infrastructure Investment Bank (Europost, 2020).

In environmental terms, the BRI places South Asia at a crossroads as the BRI is likely to significantly add to the extent of environmental degradation, especially in the short and medium term. As countries continue to transition into industrial economies (and partially post-industrial economies), degradation is subsequently likely to increase considering the infrastructure-driven logic of the BRI. Although effectively valid that if regulated and managed adequately, the BRI can present a means of attaining energy transitions that would take a much longer period without external investments, it needs to be realistically assessed whether China and its firms -with its dubious track-record- are willing to improve transparency and project management tools alongside with environmental protection mechanisms. The role of the BRI should further not detract from the fact that the countries which are part of the BRI have a distinct national interest and national responsibility to develop comprehensive environmental regulations and protocols, irrespective of Chinese

promises of economic benefits, which in many countries where China has invested and did promise these returns, have proven to be 'debt-traps'.

## Conclusion

South Asia is faced by large-scale environmental issues that are compounded by the overlapping factors of growing industrialization, urbanization, demographic growth and growing international trade. These factors, in combination with the general impact of climate change, have exacerbated pre-existing environmental issues and are going to intensify in the coming decades. Although South Asian economies will be unable to turn back the clock, regional actors can and must take more active steps to create and enforce environmental regulations. One policy approach could be to advocate for and support bottom-up initiatives, like those in India. In addition to this, forums such as SAARC and SACEP should be used as a means of negotiating collective approaches to tackling cross-border issues. This will be particularly relevant as the BRI has resulted in the growing role of Beijing in regional affairs. While the BRI promises to create opportunities for South Asian States to facilitate a more sustainable growth model, it also implies significant environmental risks, apart from economic, legal and sovereignty issues. In regard to China as well as on a more regional and local level, enhanced environmental protocols and a greater understanding for the long-term implications of environmental degradation will be key to rein in a different and more sustainable development model than the BRI.

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