Roads, Loans, and Power: The New Battle for the Developing World

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Great powers have always built more than roads.

The British built railways across India. The United States helped construct the postwar economic order through institutions such as the World Bank and International Monetary Fund. The Soviet Union financed factories, dams, and infrastructure throughout its sphere of influence. Infrastructure may look like concrete and steel, but historically it has been something more: a way for powerful countries to create relationships with countries that need capital.

China understood this dynamic early in the twenty-first century.

In 2013, Beijing launched the Belt and Road Initiative, an enormous collection of infrastructure and investment projects connecting China with countries across Asia, Africa, Europe, Latin America, and beyond. Roads, railways, ports, power plants, telecommunications networks, and other projects became instruments not only of economic development but of international influence. The Council on Foreign Relations describes the BRI as one of the most ambitious infrastructure initiatives ever conceived, while noting that it has substantially expanded China's economic and political reach.

That presents the United States with an uncomfortable question: what happens when another country begins building the infrastructure that America is unwilling or unable to finance?

The answer cannot simply be to build an American version of the Belt and Road Initiative. It has to be to understand why countries accept Chinese investment in the first place.

The developing world has an infrastructure problem. The World Bank has estimated enormous infrastructure needs across developing economies, and countries that lack reliable transportation, electricity, and digital connectivity have strong incentives to accept whoever is willing to finance those projects. China has been willing to fill that gap. The World Bank found that Belt and Road transportation corridors could increase trade, investment, and living standards, although the benefits depend heavily on transparency, debt sustainability, governance, and complementary economic reforms.

That distinction matters.

It is easy to describe the Belt and Road Initiative as simply a Chinese geopolitical weapon. But that misses why recipient governments participate. A government does not need to believe that China is benevolent to want a railway. It does not need to support Beijing politically to need electricity. It does not need to admire the Chinese government to recognize that its population needs better transportation.

Infrastructure creates influence precisely because infrastructure creates value.

That is the strategic problem facing the United States.

The proposed Global Infrastructure Partnership Program is designed explicitly around this competition. The bill would create a federal program providing low-interest loans and other financial support for transportation, energy, and digital infrastructure. It would prioritize countries willing to limit future participation in Chinese-financed or Chinese-controlled infrastructure projects. The Department of State and Department of the Treasury would oversee the program, with financing administered primarily through the U.S. International Development Finance Corporation.

On paper, that looks like an infrastructure program.

Historically, it is something larger.

It is an attempt to decide who gets to build the next generation of infrastructure in the developing world.

And whoever builds that infrastructure does not simply receive a construction contract. They establish relationships with governments, businesses, workers, and entire economies.

That is why the most important question surrounding this bill is not whether infrastructure is useful. It obviously can be. The question is what happens when development becomes a competition for influence.

The answer begins with accountability.

China's Belt and Road projects are not uniformly harmful. The World Bank's research explicitly finds potential benefits from improved connectivity, trade, and investment. But the same research identifies significant risks: debt vulnerabilities, corruption, weak procurement practices, environmental damage, and insufficient transparency. In some cases, Chinese companies have received a majority of contracts associated with Chinese-funded projects.

This creates a fundamental tension in infrastructure diplomacy.

A country needs investment. Investment creates development. But the country providing the investment can also gain economic and political leverage.

That is not uniquely Chinese.

The United States has its own history of using economic relationships to advance strategic interests. American foreign assistance has never existed completely outside foreign policy. The Marshall Plan helped rebuild Europe after World War II while simultaneously strengthening America's economic and political position against the Soviet Union. American institutions have repeatedly used economic cooperation to create alliances and reinforce international systems.

The difference is not that one country uses money for influence while the other does not.

The difference is how that influence is constrained.

The United States International Development Finance Corporation provides an example. DFC-supported projects are subject to environmental, social, labor, human-rights, and transparency requirements. Its Independent Accountability Mechanism allows affected communities and workers to raise concerns about DFC-supported projects and request problem-solving or compliance reviews.

That does not mean American-backed projects are incapable of causing harm. It means that American development finance contains institutional mechanisms through which affected communities can challenge certain harms.

That distinction becomes particularly important when comparing two competing models of development.

One model says: build quickly.

The other says: build, but create rules around how you build.

The second model is slower. Environmental reviews take time. Procurement requirements take time. Community consultation takes time. Debt-sustainability assessments take time. Transparency requirements can make projects more expensive and complicated.

But those constraints exist for a reason.

The World Bank has warned that large infrastructure projects can create corruption and procurement risks and that countries need transparent financing terms and sustainable debt frameworks to ensure that infrastructure actually improves long-term development.

The proposed bill attempts to incorporate some of those lessons. Its financing would be conditioned on transparent bidding and debt-sustainability standards. Its annual report would require the State Department and Treasury to evaluate whether the program is reducing reliance on China's Belt and Road Initiative and advancing U.S. strategic interests.

Yet there is an unresolved tension in the bill itself.

Its stated objective is development, but its strategic objective is competition.

Those goals can overlap. They can also conflict.

Imagine a country choosing between two infrastructure projects. One offers the project faster. The other requires environmental assessments, transparent bidding, and extensive negotiations. If the second option is significantly slower or more expensive, a government facing immediate infrastructure shortages may reasonably choose the first.

That means American competition cannot depend entirely on telling developing countries what they should avoid.

It has to provide something they actually want.

The United States cannot win an infrastructure competition by simply telling countries that Chinese investment is dangerous. It has to demonstrate that American-backed investment can produce roads, electricity, telecommunications, and economic growth while giving recipient countries greater control over their own development.

This is where the bill's sector limitations become significant.

The proposed program specifically prioritizes transportation, energy, and digital infrastructure. Those sectors can generate enormous economic benefits, but infrastructure is not synonymous with development. A road can connect a village to a market, but a functioning school determines whether children can take advantage of that market. Electricity can power a factory, but healthcare determines whether workers are healthy enough to work there. Internet access can connect a country to the global economy, but education determines whether its population can participate in it.

Development is not just about what gets built.

It is about what those things allow people to do.

That is why America's historical advantage cannot simply be its ability to offer a different loan.

It has to be its ability to offer a different relationship.

China's Belt and Road Initiative has demonstrated that infrastructure can create influence on a global scale. The United States is now considering whether to compete with that influence through its own development financing. But the history of great-power competition suggests that the countries caught between competing powers are not merely pieces on a geopolitical chessboard. They have their own governments, interests, and choices.

The World Bank's research makes that point particularly clear: the success of infrastructure initiatives depends heavily on recipient countries themselves, including their institutions, policies, and ability to manage projects effectively.

That changes the nature of the competition.

The United States does not necessarily need every country to choose Washington over Beijing. Nor does every Chinese-financed project automatically represent a Chinese strategic victory. Countries can accept infrastructure from one power while maintaining relationships with another.

But influence accumulates.

A port creates commercial relationships. A telecommunications network creates technological relationships. An energy project creates financial relationships. A transportation corridor creates trade relationships.

One project may mean little.

Hundreds of projects can reshape the international system.

That is what makes the proposed Global Infrastructure Partnership Program historically significant. It is not simply about whether the United States should spend money overseas. It is about whether Washington is willing to compete in one of the oldest forms of international power: the ability to build.

For centuries, powerful nations have understood that influence does not always arrive in the form of soldiers or diplomats. Sometimes it arrives as a railroad. Sometimes as a port. Sometimes as a loan.

China has spent more than a decade demonstrating what happens when infrastructure becomes a central instrument of foreign policy.

The American response therefore presents a choice between two very different approaches to power. The United States can treat infrastructure as merely an economic transaction, or it can recognize what history has repeatedly shown: who builds the infrastructure often helps shape the world around it.

The challenge is making sure that competition does not reduce developing countries to the objects of that competition.

Because the ultimate measure of an infrastructure project is not which flag flies above the construction site.

It is what remains after the construction crews leave.

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