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The G7 infrastructure plan has to avoid China's mistakes

The G7 has announced to invest $600bn for infrastructure development in the Global South by 2027. But it should learn from China's New Silk Road

The G7 has announced a Partnership for Global Infrastructure and Investment, aiming to provide $600bn for infrastructure development in the Global South by 2027. Such a partnership is welcome, as G7 members are involved in a head-spinning number of international infrastructure initiatives. But will the G7's individual and collective efforts in this sphere really be a lot different to China's own global infrastructure development plan, the much-criticised Belt and Road Initiative (BRI)?

To one extent or another, G7 members are seeking to challenge China's BRI, which was announced in 2013, well before any of the initiatives associated with G7 members. This is not necessarily a bad thing, as the BRI is replete with problems. Criticisms of BRI projects include that they are: concentrated in areas of interest to political elites rather than where need is greatest, untransparent and conducive to corruption, burdening countries with debt, damaging to the climate and biodiversity, unwilling to hire locals for high-skilled and management positions, hostile to labour rights, and imposed on communities without proper consultation – which in some cases has led to land grabbing and forced evictions.

The last of these criticisms is particularly ironic. Both security of tenure and access to infrastructure are elements of the right to adequate housing. Indeed, infrastructure development can enhance tenure security (and vice-versa). Yet infrastructure projects, both those with foreign links and those without such connections, can also undermine housing rights and other human rights.

Infrastructure needs

Our surveys in Bangladesh show that 52 per cent of people in marginalised urban settlements have no legal right to use their house or

land. In the capital, Dhaka, around a third of residents in such settlements have been evicted at least once, and infrastructure development is a common reason for this. Incredibly, the country's National Housing Authority and other public agencies have a history of forcibly evicting people.

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In other cases, infrastructure projects may not lead to forced evictions, but they either fail to serve marginalised people or serve them insufficiently. In Zimbabwe's urban areas, the government's Emergency Road Rehabilitation Programmes have only targeted roads connecting formal settlements for repair and improvement following the rainy season. No roads connecting informal settlements have been worked on. Unsurprisingly, 59 per cent of our respondents in Zimbabwe are unsatisfied with the quality of their roads.

In Somaliland, non-governmental organisations have managed to build toilets in certain marginalised communities. Otherwise people who live in camps on the periphery of towns and cities, as well as those who live in makeshift shelters in more central parts of urban areas, require permission from their landlords in order to dig latrines. Even if granted, these residents often lack the resources to empty full latrines. To make matters worse, some landlords charge people to use toilets. This may explain why 30 per cent of our respondents in Somaliland struggle with the affordability of toilets.

The Global South faces an infrastructure financing gap of $1-1.5 trillion annually. So the question is not about the need for greater investment in infrastructure but the quality of this investment. The BRI's lack of coherence and slowing momentum provide opportunities for the G7 to provide an alternative to Chinese investment in infrastructure – one that is truly inclusive of the most marginalised. But beyond the obvious need for better coordination with one another, how can G7 members deliver?

Inclusive infrastructure development

First, they must adopt an explicitly rights-based approach. This means that core international human rights treaties and optional protocols should be ratified, and all human rights obligations to the Global South should be fully enshrined in national law. It also means that all G7 members need to ensure that their infrastructure projects use recognised participatory methods so that community involvement is meaningful, are

completely transparent throughout their life cycles, are subjected to rigorous human rights and environmental impact assessments, and establish independent monitoring and complaint mechanisms.

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Second, they must take a politically smart, adaptive approach to infrastructure development. This will help the G7 to navigate complexity and provide support where need is greatest. For example, while barriers to settlements becoming legally recognised should be engaged with, the focus should be on tenure security rather than questions of (in)formality per se.

Similarly, while on-grid service provision may be better (in terms of reliability, quality, price, etc.) in many urban areas, off-grid infrastructure may be preferable to certain communities. The key issue is that service provision should improve wellbeing. A clear illustration of this is that, on average, at least 37 per cent of people in our research locations cook with fuels that pose a health threat to their households. Regardless of whether it is on- or off-grid, the supply of clean cooking fuels is critical.

Third, they must finance their infrastructure investments in a fair and sustainable manner. This means G7 members should wean themselves off the idea – clearly stated in their infrastructure principles and Ministerial statements – that private capital is necessary. Privately financed infrastructure in the Global South has largely failed. Even celebrated public-private partnerships are deeply flawed on closer examination.

The fact is the vast majority of infrastructure in the Global South is publicly financed. The G7 needs to start thinking in terms of global public investment. Moreover, overhauling unjust debt, tax, and trade rules would give Global South governments greater resources to invest in inclusive infrastructure themselves.

By adopting such an agenda, the G7 would certainly avoid China's mistakes, and perhaps even embarrass Beijing into reforming its BRI.



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