

## **ONE BELT ONE ROAD A GREAT PROJECT OF FAR-REACHING ECONOMIC DEVELOPMENT & TREND OF GLOBAL MODERN DEVELOPMENT RULES**

**\*Huynh Quang Trung,**

*Ph.D. Candidate Economics & Management School, Wuhan University, 430072, P.R. China*

**\*Younsa Djafarou Salatiko**

*Ph. D candidate, China Institute of Boundary and Ocean Studies, Wuhan University, 430072, P.R/China. Email:*

**ABSTRACT:** *The One Belt One Road project is a project initiated by China and officially launched in 2013 by Chinese President Xi Jinping, during his visit to Kazakhstan. The One Belt One Road project is a project of global dimension. In order to approach such a complex and multifaceted subject a retrospective historical analysis in regards to this particular project's origin and idea is required. This global project involves linking Asia, Europe, and Africa with new road and maritime infrastructures. Since its launch in 2013, this project is attracting financially and diplomatically many collaborators. Evermore frequent international conferences have been hosted by China but a particular high-profile summit on May 15, 2017, held in Beijing and was attended by twenty-nine heads of state, as well as numerous government officials. Sixty-Eight countries that were involved in the summit eventually closed with a "joint declaration" signed by thirty countries, followed by 270 cooperation agreements. The vision of the "New Silk Road", better known today as the "One Belt, One Road" (OBOR) is determined to take a major step in leading the trend in globalization in the 21<sup>st</sup> century which can be seen by an injection of enormous means from various sectors in order to make this project a fruitful realization. The main objective of this literary work is to make evident the ambitions of Beijing through the "OBOR" project and to make clear the strategies for implementing the project as well as its impact on global economic development exploiting different development sectors concerned.*

**KEYWORDS:** One Belt One Road, Modern Great Project, China, Economic Development, Trend of Global Development, Rules

## **INTRODUCTION**

Firstly, it should be noted that the history of the Silk Road has been historically referred to since "the dawn of time" dating back as far as the Han dynasty. The Silk Road at that time constituted a route linking China and the West, which was used by the Oriental merchants with their caravans of various articles of commerce particularly that of silk, hence the name "silk road." It should be mentioned that China's economy is greatly dependent on the global economy and vice versa. China has continued to restate its commitment to the basic policy of opening-up as well as building a productive economic model that can successfully integrate and lead the global economic system. That is why China has decided to put in place the initiative of the new version of the Silk Road with aspirations that China's project will revive the ancient Silk Road with the implications leading to greater international expansion and increased economic relations with China. With the initiative "belt and road" (One Belt, One Road), a program for the re-opening of the former Silk Road that

connected China with Europe via Central Asia. As part of this initiative, the western regions will likely play a key role, opening to the East and Central Asia. Indeed, several silk roads exist in China but around the huge project of One Belt One road, the Chinese government has decided to revive two Roads, one land route and one other maritime route, termed together the “One Belt One Road (OBOR).

The first land route called the economic belt /Silk Road will consist of several road infrastructures composed of railways, railway stations, ponds etc. The second route known as the "21st Century Maritime Silk Road" is a maritime route drawn through a large part of Central Asia with the construction and expansion of large ports. This second route will secure maritime transport but with a very striking geopolitical strategy because the future sea route will straddle Indian borders in the Indo Pacific, the other Asian giant. The project of the Silk Road, Economic Belt and the 21st century Maritime Silk Road both constitute the One Belt One Road project that has been respectively announced in September and October 2013 by president Xi Jinping<sup>1</sup> during his visit in central Asia and Southeast Asia. The initiative will enable China to expand and deepen its ties, and strengthen its mutually beneficial cooperation with countries in Asia, Europe, Africa and the rest of the world, Lauren A. Johnston (2016) China is committed to take on more responsibilities and obligations within its capabilities, and make greater contributions to the peace and development of humanity. This project represents the economic structure firstly related to term development between the regions concerned including all Asia, Africa and Europe. It will be a stimulation factor of commercial and investment flows by promoting exchanges between people of different continents, each of which will take its benefit. To this end, the Chinese government has initiated major projects for developing countries. Among these projects is the creation of BRICS New Development Bank in 2014-2015 with 100 billion Dollars of capital<sup>2</sup>, Johnston Lauren. (2017), Asian Infrastructure Investments Bank (AIIB), inaugurated in 2014 and bringing together 70 countries in 2017, of which China contributes 30% of the total capital (Nicolas, 2016) Since president Xi Jinping has announced the project in 2013, (Huang Yiping 2015) and the journal *Agroeconomic*, n ° 81, (2016) the One Belt One Road initiative has been extensively discussed. Indeed, Chinese Foreign Minister Wang Yi, at a press conference accompanying China's recent parliamentary session, described the initiative as a “central focus” of China's foreign policy in the year 2015. (“XINHUA”) The Chinese government has initiated the wonderful One Belt One Road project but it will surely have an important impact on the global economy. This means an in-depth focus on the growth and expansion of the ancient Silk Road from the Han dynasty and its eventual evolution into its modern-day version of the Silk Road called the One Belt One Road project. Certainly, through the one belt one road project, China has a global economic vision but beyond Asia, the two main continents targeted by the project are Africa and Europe Since its launch

<sup>1</sup> For a presentation of this project and its implications on an international scale, read Barthélémy Courmont, "When China invests in infrastructure," *Asia Focus* # 1, September 2016, <http://www.irisfrance.org/wp-content/uploads/2016/09/Programme-ASIE-Asia-Focus-1-BC.pdf>, see also the journal *Géoéconomie*, n ° 81, published September-October 2016. Read also Huang Yiping, "Understanding China's Belt and Road Initiative as part of its new economic and foreign Strategies ", *International Economic Review*, No. 1, 2015, pp. 48-53

<sup>2</sup> Johnston, Lauren A. "China's Africa Return: Trends and Changing Sino-African Economic Prospects", in *Handbook on African Development*, edited by Tony Binns, Kenneth Lynch and Etienne Nel. London: Routledge (published in 2017).

in 2013, this immense Chinese project continues to make significant advances both financially and diplomatically attracting many collaborators as part of its implementation. After a brief summary of the genesis of the initiative OBOR, this article will be devoted to the analysis of the global economic vision of China through the OBOR project. It will then focus on the strategies of its implementation, the financial policy undertaken by the Chinese authorities in the framework for the realization of this global mega project and the impact of the project on the global economy.

### **Genesis of the project**

We can easily say that the Chinese authorities have been inspired by ancient Chinese economic development policies such as the Silk Route policy or new Silk Road to put in place this new OBOR policy<sup>3</sup>. Indeed, the study of the genesis of the One Belt One Road initiative leads necessarily to the analysis of its history (A) and its context (B)

### **History**

Historically China has experienced several regional and international policy developments in this case the policy of the ancient Silk Road (1) and recently the initiative of the new Silk Road called One Belt One Road (2)

### **The old Silk Road**

"Silk Road" in the 19th century alone, on a proposal from his Riztgofer Ferdinand (author of classic works and the physical geography of China and Asia topography), with the favorable support of the international community by decisions made by UNESCO "on the Renaissance of the silk Road - dialogue and rapprochement of cultures", the silk Road was a real trade route that was born in the 3rd century BC and was relevant through the 16th century. The Silk Road, the major axis linking Europe from Istanbul to Asia in China (Xiang) crossing throughout Central Asia, was born of the participation of one of the most famous and brilliant civilizations. It crossed the West of China to go through India, Pakistan, Afghanistan, Iran, Iraq, and Syria and finally reach the Mediterranean, with a distance of 6500 km; It constitutes a generic term and brings together a set of caravan routes that crossed Europe and Asia, from the Mediterranean to China across Central Asia. Caravans laden with Chinese silk, spices and precious stones from India, silver vessels from Iran, Byzantine fabrics, ceramics of Aphrodisiac and other goods, crossing the Karakum and Kyzyl-Kum deserts, oases Merv and Khorezm, crossed the Pamirs, Tien Shan, Altai, crossed the rivers Murgab, Amu Darya and Syr Darya. The Silk Road provides a framework for international trade, marriage of cultures, an intermingling of religions between the Mediterranean world, China and the whole of Central Asia. "Trading activities along the Silk Road over many centuries facilitated the transmission not just of goods but also ideas and culture, notably in the area of religions. Zoroastrianism, Judaism, Buddhism, Christianity, Manichaeism, and Islam all spread across Eurasia through trade networks that were tied to specific religious communities and their institutions"<sup>4</sup>.

The Chinese diplomat Zhang Qian during his pilgrimage he made to China through Central Asia in the 1st century BC undertook an archaeological excavation in Uzbekistan through which he

<sup>3</sup> OBOR: One Belt One Road, initiative of Chinese Government through president Xi in 2013

<sup>4</sup> Richard Foltz, Xinru Liu and other ....

discovered a large number of Chinese coins: bronze mirrors, pieces of silk fabrics, fragments of Chinese porcelain containers. These findings reflected the commerce of Central Asia with China. Silk production and cellulose develops under the influence of Chinese technology, the Chinese as well as the Central Asian people are related in terms of their culture, this can be seen through their usage of vine and wine, onion, cotton, pomegranate, walnuts, cucumber and others items and products. In light of the above, we can say that the ancient Silk Road has been a great success in the socio-economic development between Europe and Asia. Unfortunately, this success was hampered by devastating wars, famines and other epidemics experienced and cited by figures and historians of that time that were located on the Silk Road. In a push to open to the wider world, China has decided to implement the policy known as the new Silk Road (2)<sup>5</sup>

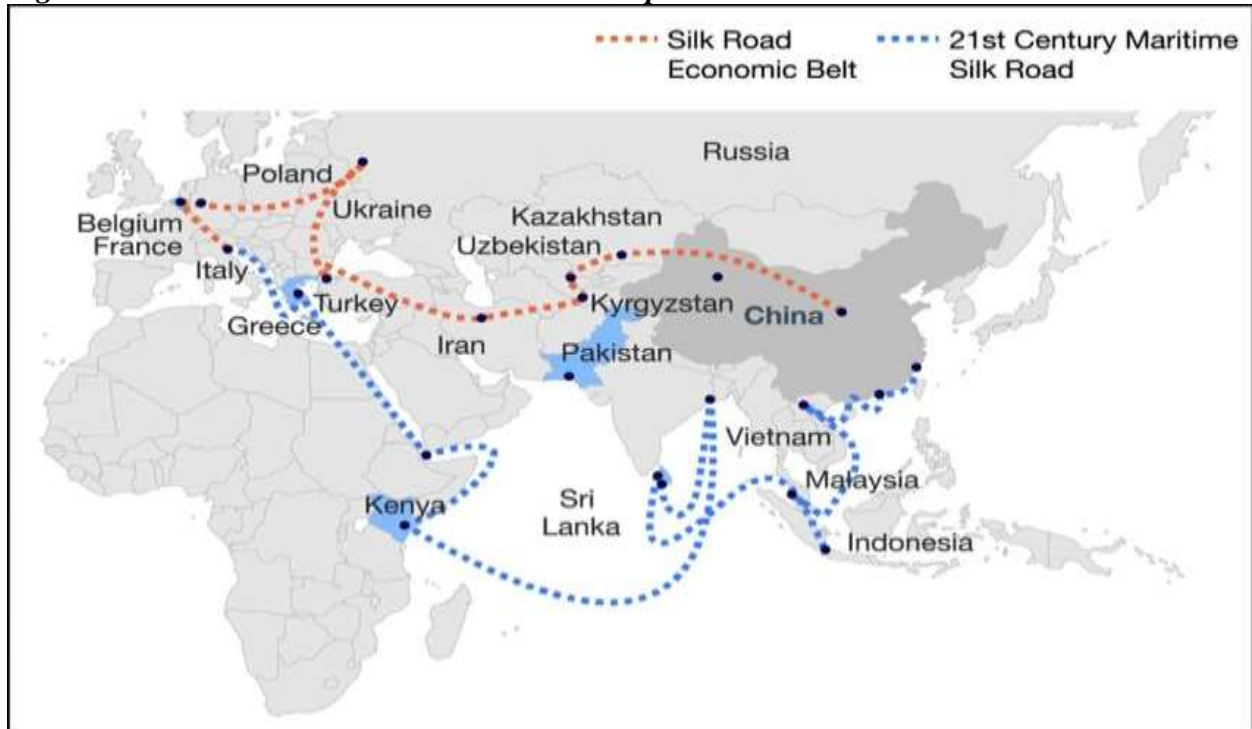
### ***The new Silk Road***

The Belt and Road project, also called "一带一路" (yi dai yi lu) is presented as a "21st century silk road", consisting of both a "belt" of land corridors and a "maritime route of the shipping lanes. Otherwise called Belt and Road Initiative (BRI) is a multi-billion dollar Beijing project, described by some observers such as Lily Kuo and Niko Kommenda (2018) as a "Chinese Marshall Plan", a pharaonic project supported by the Government for global domination, a real stimulus package for a slowing economy, and a massive marketing campaign around the world for something that was almost already happening: Chinese investment around the world. Note that through this project, Beijing intends to realize multi-dimensional businesses other than the simple construction of land or sea routes as stated by a specialist in the field: "It's a reminder BRI is about more than roads, railways, and other hard infrastructure," said Jonathan Hillman, director of the Reconnecting Asia project at the Center for Strategic and International Studies in Washington. "It's also a vehicle for China to write new rules, establish institutions that reflect Chinese interests, and reshape 'soft' infrastructure", (2017). Indeed, on November 18, 2011, a freight train left the city of Yiwu in eastern China to join Madrid 21 days later via Central Asia, making it the longest railway line in service (13,000 km). The departure is a market place where many are trading small goods produced in Chinese factories. Since 2013, the Chinese central government through its president has embarked on a new impetus on foreign policy through their new One Belt One Road policy. During his visit to Kazakhstan and in Indonesia in September 2013, Chinese President introduced the new idea of creating a New Silk Road from China to Europe. According to the latest concepts, overland trail (rail) is led through Urumqi, Dostyk, Astana, Gomel, to Poland (Małaszewicze and Łódź in which they are to be hubs of transshipment and logistics to other European countries as Russia and Germany etc). The One Belt One Road initiative is an extension of New Silk Road project as it combines both the concept of the Silk Road Economic Belt and the 21st century Maritime Silk Road. Their names may suggest, the economic belt and the Marine Silk Road aimed at deepening economic relations between China and its trade partners in Central Asia, South Asia, Africa, Europe and particular in other parts of the developing world through investments in infrastructure and preferential trade agreements. This is how this ambitious one belt one road initiative is aimed at expanding trade and potential influence by the Chinese government. (B)

**Context**

It is in the context of its foreign policy that the Chinese authorities have launched the policy of the new Silk Road. Through this mega project, China intends to gradually show its ambition to gain its autonomy in the field of transport; an industry dominated by foreign companies, particularly Western enterprises that operate in transportation between the United States, Europe and China. Thus, on the one hand this project will significantly control the delivery of Chinese goods to Europe. Moreover, China has also aimed to satisfy its needs for high quality products from Europe. That is why this component of China's foreign policy is based primarily on the construction of long-distance railways that will allow the countries a very rapid delivery of goods along the route to Europe. The One Belt One Road project presents a plan to strengthen economic relations between China and its trading partners, particularly its Asian neighbors, mainly through the development of a transport network and various infrastructure projects. The "Belt" refers to the traditional route of Chinese terrestrial silk trade linking central China to Europe through Central Asia. The "Road" refers, in turn, to the maritime Silk Road that encompasses Southeast Asia, Oceania and East Africa. President Xi Jinping officially launched the One Belt One Road initiative during his visit to Kazakhstan in September 2013 with the aim of reviving the Silk Road linking Asia, Europe and Africa. This project known as the One Belt One Road initiative but is also called The New Silk Road and was an initiative with a view of strengthening economic and cultural relations with all countries of the various concerned regions. Over the last couple of years, the Chinese government has actively promoted construction in consortium with the One Belt One Road project. These constructions have been improving communication and consultation as well as advancing the active cooperation with countries along the belt and road route and introduced a series of initial results of policies and measures. President Xi Jinping and Premier Li Keqiang visited more than 20 countries, attending dialogues on partnerships of connectivity, reinforcing the Sixth Ministerial Conference as a forum on Cooperation between China and Arab States, and have met leaders of the countries concerned to discuss bilateral relations and regional development issues. Leaders took advantage of these opportunities to explain the rich content and the positive implications of the belt and the Road Initiative. These efforts helped lead to a broad consensus on the one belt and road initiative. In the context of this project, China intends to build two roads including a land route (1) and another maritime routes (2). But before studying in depth the Belt and Road Initiative, we present this figure below, tracing the land route and the maritime "route" as well as the countries they link.



**Figure1: Land Route and Maritime “Route” Map**

Source : <https://www.mckinsey.com>

### ***The Silk Road Economic Belt***

The land route otherwise called the Silk Road Economic Belt will start from Xinjiang to lead to Germany via Central Asia (Kazakhstan), Iran, Iraq, Syria, by crossing Turkey and some European countries such as Bulgaria, Romania, the Czech Republic, Netherlands and Germany. This initiative will enable capacity transport routes to be mutually smooth, safe and effective. When one observes the routes, the largest seaports are strategically positioned along the southern oceanic sea route belt and the road routes. The Initiative also focuses on the joint construction of a new Eurasian land bridge and connecting a development corridor between China, Mongolia and Russia. This is referred to as the Western-Central, Asia-China, China-Asia and Indochina Peninsula economic corridors. These corridors with the benefit of international transport routes are based on cities along the belt and road corridor-using key economic and industrial parks as cooperation platforms. The construction of these lengthy roads reflects geopolitical ambitions such as the reintegration of Afghanistan, Pakistan and Iraq, but also Iran back into the world economy. Indeed, this huge plan of China will thus enhance corporation with these countries previously listed and will counter previous military strategies adopted by the United States of America. The second component of the One Road One Belt initiative is the maritime route (2).

### ***21st Century Maritime Silk Road***

What is referred to as the 21st Century Maritime Silk Road or the second road is a group of major sea ports linking Guangzhou, Thailand, Vietnam, Malaysia, Singapore, Indonesia, Sri Lanka, Pakistan and continuing to the Red Sea, the Gulf and then the Suez Canal including the Mediterranean. Another route will make a detour to Africa, including a main passage to Kenya.

The 21st-Century Maritime Silk Road is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other. The China-Pakistan Economic Corridor and China-Bangladesh-India-Myanmar Economic Corridor will be closely linked to the belt and Road Initiative, which therefore requires a closer cooperation and more progress. According to Chinese authorities, the objective pursued by the tracing of this second route is to secure shipping and in contrast those in opposition to this project in turn claim that this project has further geopolitical objectives. Geopolitically India has looked upon this south sea project as a potential threat and has cautiously been slow to partake in its potential benefits. Over the past year, China has proved to the whole world that the Belt and Road initiatives are not only a grand, forward-looking blueprint, but also a down-to-earth practice. This can be explained through the background and principles (II) of the project, but also with the objectives and implementation this project (III).

### **Background and Principles**

The One Belt One Road initiative followed a global economy characterized best as in recovery from a global crisis, which partially explained the need for the implementation of this initiative. The guiding principles of the initiative have gained approval and cooperation seen through the consecration of certain major international organizations that manage the affairs between nations perfectly with the development rules already initiated by certain major international organizations that manage the affairs between nations.

#### ***Background***

Basically, the initiative aims formally to promote five areas of cooperation: (1) the coordination of development policies, (2) the construction of infrastructure and public service networks, (3) the strengthening of commercial links and investment, (4) the development of cooperation in the financial field and (5) the development of social and cultural exchanges, Johnston, Lauren A. (2017). These initiatives combated the various and profound changes that have shaken the world, the almost universal impact of the financial crisis and the condition of the global economy and its greatly unpublished downturn. The economic rehabilitation is slow and global developments vary from one country to another or from one power to another. The rules governing international trade and investment have experienced considerable adjustments and countries are facing major challenges in their economic and social development. The ongoing Chinese project within the framework and joint construction belt and road initiative embraces a trend toward a multipolar world, economic globalization, cultural diversity together with a broader IT<sup>6</sup> application will create a framework of regional and international cooperation, global free trade and a more open global economy by fostering an atmosphere of wider regional and international cooperation. With an aim to promote orderly movement and free economic factors, highly efficient distribution of resources and deep integration of markets, the initiative has in turn encouraged countries situated along the belt and road routes to have an objective of achieving the coordination of the wider economic policy in order to achieve integration and cooperation. These broader and in-depth regional rules have and jointly develop an architecture of regional economic cooperation, inclusive, open and perhaps a more balanced approach through which all of the stakeholders possess the ability to take advantage and benefit from.

---

<sup>6</sup> IT: Informatics

The joint construction of the Belt and the Road initiative has undoubtedly awakened the interest of the international community as it reflects on the ideals and the pursuit of what a common human society really means. It so far has proven to be a controversial yet positive initiation to seek together new strategies for international cooperation and global governance and up till present has proven to provide a positive stratagem for peace and economic development throughout the region and the world over. For China, these twin projects have created pathways to key areas of emerging markets that are aiding in the acquisition of resource development through strategic policy, reducing local pressure due to overcapacity and production while attempting to cement its leading position in global trade. It is due to this rapid development that pre-established global powers as well as aspiring powers have watched with caution and in some cases with disparagement. Of course, China is not the only beneficiary of the OBOR initiative. The other nations involved in these initiatives potentially have much to gain from deeper integration with China. Convinced by the objectives of the initiative, in a recent interview in the Chinese newspaper Xinhua, Robert Hormats<sup>7</sup> 2014 has reiterated the global importance of the project in these terms: "These plans are a series of internationally proposed economic initiatives by China of historic importance, and there have been no initiatives of this magnitude and of such historical significance since the 1940s and 1950s," said Hormats adding that they "really were a grand and historic project." Hormats stressed that these historic initiatives would have the advantages of promoting trade and investment and allow injecting capital in the regions that are most in need. In the specific case of the cooperation between China and Europe, Xavier Bettel, (2017)<sup>8</sup> welcomed this cooperation in air logistics with China, stressing that it was not only an excellent example reflecting mutual respect, complimentary economic and common development between Europe and China, but also a win-win opportunity may potentially arise in the context of China's economic Belt and the Silk Road initiatives. Furthermore, he added that a stimulation of world trade would strengthen the prosperity of many Central Asian countries. "I think these initiatives will make a great contribution to the region if all the regional neighbors are actively involved in all stages of design and implementation, which seems to be a key feature of the project," said Mr. Robert D Hormats,(2015), Vice Chairman of Kissinger Associates. Immediately prior, he served as Under Secretary of State for Economic Growth, Energy, and the Environment)

The Initiative of the Belt and the Road is based on a number of principles (B)

### ***Principles***

The One Belt and the One Road initiative is purported to be in perfect harmony with the purposes and principles of the UN Charter. The OBOR is an agenda promoted by the Chinese government that is said to defend the Five Principles of Peaceful and Coexistence: mutual respect for sovereignty and territorial integrity of others, mutual non-aggression, non-interference in internal affairs, equality and mutual benefit, and peaceful coexistence. The initiative is open to cooperation. This initiative concerns the whole of the ancient Silk Road yet it is not limited to its area. By being open to all nations and all international and regional organizations the initiative is meant to incorporate the sphere of the ancient Silk Road, but goes beyond its limits. The objective of this initiative stands to seek a full commitment to ensure that the results of the combined efforts is to

---

<sup>7</sup> former deputy secretary of United States for economic growth, energy and the environment

<sup>8</sup> Xavier Bettel: Luxembourg Prime Minister



be beneficial to all the players, hence China's termed "win" slogan. The initiative respects the functioning market system. It has pledged to respect market rules and international standards, to play the decisive role of the market in the allocation of resources and the essential role of business. Furthermore, the OBOR initiative lets the governments exercise their functions freely without any interference. The Initiative repeatedly pronounces its pursuit of mutual benefits. It accommodates the interests and concerns of all stakeholders and seeks a conjunction of interests and the "highest common denominator" for cooperation and to give full play to the wisdom and creativity for all to take into account the strengths and the potential of all parties without exception, (Madakufamba, M. SARDC 2014). It is evident that the One Belt One Road initiative has several objectives but the question is how to implement it (III). There is no doubt that the implementation of such a project will face many challenges.

### **Objectives and Implementation**

The objectives of the Chinese government through OBOR are diverse and concern both the sub-region as well as the rest of the world (1). But the implementation is another matter (2).

#### ***Objectives***

The objectives pursued by China through the One Belt One Road initiative are continually the subject of numerous debates from experts, academics, students, economists and jurists. In this context, Simon Shen says,<sup>9</sup> "For China, this is a strategic plan to reorient its geopolitical policy towards the interior of the continent, particularly to Central Asia and Europe, rather than to the east and Pacific coast. It is also a project to counter Russian and American influences in the region. It is somehow a new Chinese diplomacy, which could be termed as 'institutional realism', which is to build new infrastructure abroad to influence global policies," The general objective pursued by President Xi for the decade to come is to increase to 250 billion trade exchanges between China and the countries of the "Belt and Road", which amounted to about 120 billion dollars in 2014. (Center on International Cooperation, CIC, University of New-York).<sup>10</sup> Parallel to the trade, service sectors such as construction and logistics, financial services are also projected to significantly grow. In order to make more flexible business transactions, infrastructure connectivity will indeed be the first priority. In addition to the railways, other cross-border projects are emerging with the construction of port facilities, airport and motorways. Electrification projects and communication will also undoubtedly be a priority, without also forgetting many opportunities for construction site and trade equipment. Furthermore, OBOR will also promote cooperation between countries in the supply chain and project the development of industries upstream and downstream. That is why it could generate opportunities in the areas of construction of industrial parks and cooperation in manufacturing, which in turn will stimulate international trade of goods and services. The belt and the road initiative aim to promote connectivity between the Asian, European and African continents and their adjacent maritime space as well as establish and foster partnerships between countries that are on the edge of the belt and the road routes that establish various sizes of connective

<sup>9</sup> Director of the Global Studies Program, interviewed at the Chinese University of Hong Kong

<sup>10</sup> Available at [http://cic.nyu.edu/sites/default/files/zimmerman\\_new\\_silk\\_road\\_final\\_2.pdf](http://cic.nyu.edu/sites/default/files/zimmerman_new_silk_road_final_2.pdf)

networks to several levels and realize a rich and diversified development, independent, balanced and sustainability in the above cited countries. The connectivity projects promote the initiative to harmonize and coordinate the development strategies of the countries located along the belt and road routes, that tap potential flows in the region to promote investment and consumption that search and create more employment opportunities to relevant people and generate cultural exchanges and mutual learning between the peoples of the countries concerned and promote together a harmonious, peaceful and prosperous environment. Furthermore, in the same context, China is taking the initiative in promoting production and better-quality industries with comparative advantages in the West. The countries along the Silk Road will be the first to benefit from this advantage. This will change the situation in which these countries are used as a corridor for trade and cultural exchanges between East and West that were less developed in the past. Hence, the initiative will help overcome the wealth gap and regional imbalances caused by globalization, which began with Europeans and them maintaining a monopolized advantage. Optimistically many in Asia as well as in the non-western world believe that such an initiative will help build a harmonious world of lasting peace, universal security as well as common prosperity.

The Chinese Government has mentioned that the Belt and Road cooperation features mutual respect and trust, mutual benefit and win-win cooperation as well as mutual learning between civilizations. China made a special call to all countries that are located along the Belt and Road to make concerted efforts to pursue common goals. These common goals have the potential be bright prospects for the Silk Road Economic Belt and the 21st-Century Maritime Silk Road as well as for the people of countries along the route. Nevertheless, Chinese authorities through the voice of the Foreign Affairs Minister specify that the OBOR initiative, “does not seek to impose its influence, but advocates regional economic cooperation and international gain in a spirit of mutual respect. According to Mr. Lu China does not seek to secure its influence in the region, and will not force the hand of anyone”, said Mr. Lu (2016)<sup>11</sup> at a regular press briefing. “The project "Road and the Belt" is in harmony with the common interests of countries and international organizations concerned,” Furthermore, adding that it would improve the connection between Eurasia and the world, while stimulating growth. Finally, the new Silk Road project is intended as a cultural influence, communication as well as trade. There is no doubt that this project will in fact wield enormous soft power. However, for now, not much concrete has been announced in regards to the cultural side. No one can deny China’s immense achievements when it comes to mega bridge, rail, airports, skyscrapers, port, dam and energy projects etc. Thus, China intends to implement its expertise to develop and strengthen its relations with other countries in Central Asia, Europe and even the most notably distant in Africa through the One Belt One Road initiative. As part of the implementation of this titanic project, China and its partners are planning corridors in several countries in Asia, Africa and Europe, which are summarized in the table below.

---

<sup>11</sup> *spokesman Liu Kang for the Chinese Foreign Ministry, interview Conducted By Xinhua and published by the New York Times*

**Table 1: Summary of BRI Corridors**

<b>Corridors</b>	<b>Partners</b>	<b>Example Projects</b>
Bangladesh-China-India-Myanmar Economic Corridor	Bangladesh, India, Myanmar	<ul style="list-style-type: none"> <li>• China-Myanmar crude oil and liquified natural gas (LNG) pipeline</li> <li>• Padma Bridge (Bangladesh)</li> <li>• Tunnel construction under Karnaphuli River (Bangladesh)</li> </ul>
China-Central Asia-West Africa Economic Corridor	Iran, Kazakhstan, Kyrgyzstan, Kuwait, Qatar, Saudi Arabia, Tajikistan, Turkey, Uzbekistan	<ul style="list-style-type: none"> <li>• China-Kazakhstan passenger train</li> <li>• Manas airport modernization (Kyrgyzstan)</li> <li>• Turkey east-west high-speed rail</li> </ul>
China-Indochina Peninsula Economic Corridor	Cambodia, Laos, Thailand, Vietnam	<ul style="list-style-type: none"> <li>• China-Laos Railway</li> <li>• Upgrade of Lancang-Mekong ship route</li> </ul>
China-Mongolia-Russia Economic Corridor	Mongolia, Russia	<ul style="list-style-type: none"> <li>• Altai LNG pipeline (linking Xinjiang and Siberia)</li> <li>• Altanbulag-Ulaanbaatar-Zamiin-Uud highway</li> </ul>
China-Pakistan Economic Corridor	Pakistan	<ul style="list-style-type: none"> <li>• Gwadar free zone development</li> <li>• Karakoram Highway, Phase II (Thakot-Havelian)</li> <li>• Peshawar-Karachi Motorway</li> </ul>
New Eurasian Land Bridge Economic Corridor	Belarus, Bulgaria, Czech Republic, Greece, Hungary, Kazakhstan, Poland, Russia, Serbia, Slovakia	<ul style="list-style-type: none"> <li>• China-Europe freight trains (39 routes linking China with 9 European countries)</li> <li>• Hungary-Serbia railway</li> <li>• China-Belarus Industrial Park</li> <li>• China-Kazakhstan Khorgos International Border Cooperation Center</li> <li>• Port of Pireaus (Greece)</li> </ul>

*Source: Office of the Leading Group for the Belt and Road Initiative, Building the Belt and Road: Concept, Practice, and China's Contribution (Beijing: Foreign Languages Press, 2017), 10–17.*

But the question that arises is how China, as a developing country will be able to realize the huge scale of this global project (2).

### **Implementation**

The implementation of such a project requires especially great material and financial resources, but also some internal measures and reforms in its national public policy. As part of the realization of this project, China is already improving policies and internal measures. Indeed, the Chinese government is in the process of integrating its domestic resources to provide stronger policy support

for expanding Initiatives. It has commenced with the facilitation and the establishment of the Asian Infrastructure Investment Bank. China has proposed the Silk Road Fund, and the investment function of the China-Eurasia Economic Cooperation Fund that has greatly reinforced regional expansion and growth. These fiscal policies encourage bankcard clearing institutions to conduct cross-border clearing operations, and payment institutions to conduct cross-border payment commerce. At present China actively promotes investment and trade facilitation in an attempt to accelerate the reform of integration. On the financial side, in a high profile Asian Pacific Economic Cooperation (APEC) meeting President Xi announced details of an infrastructure fund that had been established to enhance the new Silk Road initiative during his meeting with the authorities of Bangladesh, Cambodia, Laos, Mongolia, Myanmar, Pakistan and Tajikistan. At the end of the APEC<sup>12</sup> summit President Xi pledged \$ 40 billion in the Silk Road Fund, which only then was formally established the following month, as a long-term investment funds. The Chinese president stressed that the fund is open to investors willing to participate in long-term projects. This fund will be used to provide investment and finance projects, particularly in the areas of infrastructure, resources and industrial and financial cooperation to enhance the connectivity of countries in both economic areas. Indeed, among the priority sectors, many view the construction of transport infrastructure, simplification of procedures for investment and trade, financial cooperation and cultural exchanges as a priority area in the implementation of these initiatives.

This One Belt One Road initiative will cover more than 300 major work projects linking Asia to Europe via rail networks as well as road, but also gas and oil pipelines and other marine and terrestrial infrastructures. In addition, as infrastructure development requires huge investments, China has created since 2015 and the Asia Infrastructure Investment Bank (AIIB) with 57-member states and the Silk Road Fund (fund Silk Road) to finance the OBOR. As for the AIIB<sup>13</sup>. The Memorandum of Understanding (MU) makes clear on the establishment of the Asian Infrastructure Investment. As a main initiator, China announced that it wished to subscribe for 50% stake in the Bank shares. Indeed, after its, launching in January 2016, Asian Infrastructure Investment Bank has authorized a capital of \$100 billion. 80 Shareholders will pay \$20 in capital from 80 shareholders, of which China is the largest with a 28% share,( Anna Bruce-Lockhart, 2017).As regards to the financial aspect, it should be noted that the region of Hong Kong can also play a significant role in financial services as fundraising, financing, bonds, asset management, insurance and market offshore Renminbi. It could also play a role in the AIIB and Silk Road Fund, to encourage future growth in their operations to take advantage of international assets from Hong Kong. It is in this perspective that in an interview, Mr. Wong said, "The launch of the OBOR will increase bilateral trade between China and relevant countries and stimulate demand for international logistics, which has grown in to a field of excellence in Hong Kong. In a climate of increasing demand to support the development of regional trade, China may also exploit its leading maritime services center position". China CITIC<sup>14</sup> Bank, which has assets in excess of 400 billion Yuan, for its part also, announced that it would finance more than 200 projects worth more than 400 billion Yuan in areas such as infrastructure, energy, agriculture and culture promotion through its local branches. It also established a fund, "One Belt, One Road" - (a belt, a road, the other name

<sup>12</sup> Asia Pacific Economic Cooperation

<sup>13</sup> Asia Infrastructure Investment Bank

<sup>14</sup> China International Trust and Investment Corporation

of the project) - with 20 billion Yuan primarily charged with participating in mergers and acquisitions, public-private partnerships and the financing of Chinese development enterprises abroad. In total, the bank, alone plans to increase the fund to 100 billion Yuan in five years, according to the Deshun, deputy governor of CITIC Bank. Furthermore, other subsidiaries of CITIC mobilize nearly 300 billion yuan of investment in a hundred projects spread over ten countries and 110 billion Yuan of funds for some thirty companies involved in the One Belt One Road initiative.

### **Challenges and Opportunities**

Any major economic development project of this magnitude must be happy and unhappy, especially in a context of fierce competition between the economic powers. The BRI project will undoubtedly create strategic Challenges for some (1) but will also present opportunities for others (2)

#### ***Challenges***

In strategic terms, it should be noted that the BRI can expect tough prospects for competition or opposition from the major economic powers, (Dr. Phillip C. Saunders, 2012). Chinese observers, such as Wang Weixing, (2016) believe that this represents a considerable challenge, more insoluble and insidious than the operational risks that the project might face. Weixing adds that BRI projects are active in areas that other states already consider to be their "traditional spheres of influence": The United States in Southeast Asia, Russia in Central Asia, and India in South Asia. Mr. Wang goes far, treating Japan as an "enemy" who will try to block China's gains at every turn, and Wang concludes that these countries are all "on high alert" in terms of BRI and that "everyone has their own policy to thwart it". Wang and other analysts analyze the perceptions of these countries and evaluate how they work, either individually or collectively to block China in its BRI project. Among the fiercest opponents or the most redoubtable competitors, are the United States of America who finds China as its main rival likely to dislodge their position as the world's leading economic power. Wang and other analysts analyze the perceptions of these countries and evaluate how they work, either individually or collectively to block China in its BRI project. Among the fiercest opponents or the most redoubtable competitors, are the United States of America who finds China as its main rival likely to dislodge their position as the world's leading economic power. Voices rise to all intellectual levels. Indeed, Cao Xiaoyang, (2016), researcher at the National Institute of International Strategy (CASS), for his part declares that "American observers are wary of what China uses the BRI to" extend its influence ", the often describing it as a Chinese Marshall Plan and in response to US rebalancing in Asia. These Chinese observers are clearly showing US concerns about the enormous challenge the BIS could pose to the global and regional economic powers, including the United States of America. In the same vein, the retired Major General Yang Xilian, (2015) a former adviser to the CISS, declares that: "The establishment of the post-World War II global governance system, including the international order, international systems, international rules and norms represented by the [United Nations] and the Bretton Woods system, was dominated by the United States and other Western developed countries. Now they are out of step with current reality characterized by multi-polarization and rapid development of globalization. In this sense, the emergence of the Belt and Road Initiative could have an impact on the current international economic order dominated by the U.S. and other Western developed countries. The

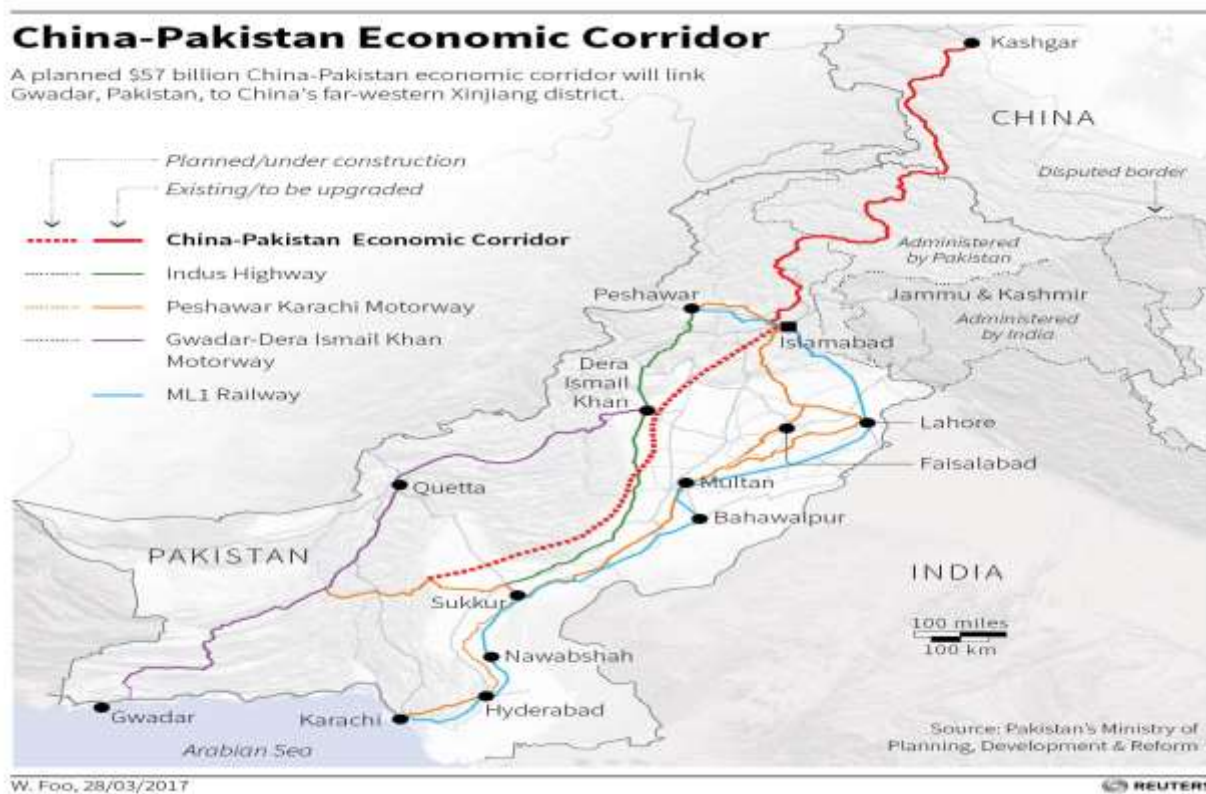


gaming will be inevitable between the emerging economies represented by China and the established economies represented by the [United States]”

### *Opportunities*

Some of China's partner countries will benefit from significant financing under the BRI project, which will undoubtedly enable them to take off economically. According to estimates by Credit Suisse, (2017), more than \$ 62 billion could be invested over the next five years in project partner countries, including India, Russia, Indonesia, Iran, Egypt, Philippines or Pakistan. It should be noted that Chinese companies are operating in many countries and are already behind several energy projects, mainly oil and gas pipelines between China and Russia, Kazakhstan and Myanmar. There are also road and infrastructure projects under way in Africa (Ethiopia, Kenya, etc.) and Asia (Laos and Thailand). According to some experts, (Anna Bruce-Lockhart, 2017), among the main partners of China in the BRI project, Pakistan is placed first. Pakistani Prime Minister Nawaz Sharif has declared that the BIS trade route marks "the dawn of a new era of synergistic intercontinental cooperation", (2011), located at the end of the Sino-Pakistan economic corridor. a huge \$ 46 billion worth of new roads, bridges, wind farms, and other infrastructure projects under the BRI project, supported by the Asian giant (China). Most of the country will benefit from the BRI project, infrastructures in many areas, as shown in the table below.

**Figure 2: China – Pakistan Economic Corridor**



This significant amount of \$ 46 billion, to the benefit of Pakistan as part of the financing of the Sino-Pakistani corridor project has also been sharply criticized by the first economic competitor of China in Asia and the sworn enemy of Pakistan, namely India. Vehement opposition to the Sino-

Pakistan economic corridor, crossing part of Kashmir claimed by his country, the Indian Prime Minister Narendra Modi has even described this road as a "colonial enterprise" that would threaten "the debt and the broken communities in his wake. "By way of protest, he even boycotted the summit on One Belt One Road held in Beijing in 2017.

## DISCUSSION

What is especially important is the fact that the project initially launched by China has now taken a global dimension with the involvement of several economically powerful countries such as Germany, Qatar, Turkey, Belgium, the United Kingdom and the United States as well. The project has had massive membership in many parts of the world, despite the fact that some countries like Japan, South Korea and their major partners (the US) believe that China's rise to power in the region would potentially be a real geopolitical threat, Defraigne, (2017). The massive adherence of most of the world's countries to this project can also be historic because many countries consider that the OBOR project is in line with the rejuvenation of the very important old silk road as it was once a commercial route globally used and recognized through its description made by the Italian explorer Marco Polo. This would be one of the reasons for widespread support among a hundred or so potentially concerned states, with a population of almost four billion people and constituting nearly 40% of the world's inhabited area. These countries gathered around the project are home to 70% of the world's population and have 60% of the world's wealth and nearly 75% of the energy reserves currently known. This was one of the achievements of the project's international forum organized by China from May 15 to 17, 2017. This membership is currently fluctuating according to the states concerned, most motivated (Pakistan, Italy ...) to the more withdrawn (India, some countries of South-East Asia ...) to those who accept following various questions (Russia, some Central Asian countries ...) or by those who hold a degree of skepticism (various Western & European countries), Chritian Vicenty. (October 2017). However, China highlights various assets tied to its success as the maximum attraction to its monumental projects. These combined projects exist on a realization time frame that is relatively long (35 years, until 2049), the enormous economic means and the complexity of the project require an adhesion of other countries other than China. With its global reach and the interest accorded by many countries in the project, the requisite name bestowed upon this mega project has shifted from "One Belt One Road" to the "Belt and Road Initiative"(BRI).

## CONCLUSION

The OBOR project is certainly becoming an essential feature of the growing role of China in the global economy. Helped by the internal development and foreign investment, China can successfully have a stronger voice for both itself and its partners in world trade. It is undoubtedly likely that if this strategy were successful, it would allow China to use all its capacities and skills to play a leading role as a world power. In the area of investment and trade, cooperation is a crucial task in the realization of the belt and road initiative. With the one road one belt project, states in all the relevant areas of the world concerned will have to make efforts to promote trade through the removal of investment taxes and other trade barriers to foster an economic environment conducive to all countries concerned. This is in addition to the questions of financial integration, industrial emergence and intellectual cooperation that will imperatively be treated within the framework of this major Chinese project. Through these partner countries, customers and suppliers, China

possesses plans that are likely to institute its currency "Yuan/RMB" as the default currency for the countries of the Silk Road and thus counteract the dependence and influence of the US dollar. What should be noted is that at national level in a decade or two, the "One Belt, One Road," initiative even without success has paved the way for a new Asian market, where actors present today in western China have a strategic advantage to gain access to emerging markets such as Kazakhstan. It is a new "pilgrimage to the West", which is about to emerge and will present a clearer picture of the Chinese economy at present and for years to come.

### References:

1. Asian Development Bank (2012) "Infrastructure for Supporting Inclusive Growth and Poverty Reduction in Asia" <https://www.adb.org/sites/default/files/publication/29823/infrastructure-supporting-inclusive-growth.pdf>;
2. Blackwill, R and Harris, J (2016) "The Lost Art of Economic Statecraft" Foreign Affairs Vol. 95(2):246-257;
3. Clemens, M (2015) "The Maritime Silk Road and the PLA" China Brief Vol. 15(6): 7-10;
4. EY (2015) "Navigating the Belt and Road: Financial Sector Paves the Way for Infrastructure" EY Report [http://www.ey.com/Publication/vwLUAssets/EY-navigating-the-belt-and-road-en/\\$FILE/EY-navigating-the-belt-and-road-en.pdf](http://www.ey.com/Publication/vwLUAssets/EY-navigating-the-belt-and-road-en/$FILE/EY-navigating-the-belt-and-road-en.pdf)
5. Cao Xiaoyang, "China-U.S. Games: 'Asia-Pacific Rebalance' and 'One Belt, One Road' [中美博弈: '亚太再平衡' 与 '一带一路']," China Economic Report [中国经济报告], no. 4 (2016);
6. Government of China. 2015. Visions and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road. Beijing, 28 March 2015 [www.china.gov](http://www.china.gov);
7. Huang Yiping, "Understanding China's Belt and Road Initiative as part of its new economic and foreign Strategies ", International Economic Review, No. 1, 2015, pp. 48-53;
8. Johnston, Lauren A. « China's Africa Return: Trends and Changing Sino-African Economic Prospects », dans *Handbook on African Development*, edited by Tony Binns, Kenneth Lynch et Etienne Nel. Londres: Routledge (published in 2017);
9. Johnston, Lauren A. « Steel pipe dreams: A China- Guinea and China-Africa lens on prospects for Simandou's iron ore », *The Extractive Industries and Society*, 2016. doi: 10.1016/j.exis.2016.08.004;
10. Johnson, Phyllis. (2012). *New Dimensions for African Unity, Integration and Development: Sharing the Chinese Experience*, SARDC Institute for China Africa Studies in Southern Africa, (unpublished) paper presented at the China Africa Think Tanks Forum (CATTF II), Ethiopia, 12-13 October 2012;
11. Madakufamba, M. SARDC 2014. Prospects and Challenges of Industrial Development in Southern Africa – Lessons from Chinese Experience in Special Economic Zones. Paper presented at the International Seminar on Industrialization in Africa, organized by the African Studies Centre of Shanghai Normal University. Shanghai [www.sardc.net](http://www.sardc.net);
12. Vhumbunu, Clayton. 2013. Drawing Lessons for African Integration from Accelerated Development in China. Keynote paper for the seventh Symposium on China-Africa and China-Zimbabwe Relations, organized by SARDC Institute for China Africa Studies in Southern Africa;

13. "When China invests in infrastructure," Asia Focus # 1, September 2016, <http://www.irisfrance.org/wp-content/uploads/2016/09/Programme-ASIE-Asia-Focus-1-BC.pdf>, see also the Journal of Geo-economics, n ° 81, published September-October 2016;
14. Yiming, Y., et al. 2011. The Development of the Shenzhen Special Economic Zone in China. *The China Monitor Issue 65*. [www.ccs.org.za](http://www.ccs.org.za)
15. Wang, "Research on the Risks and Challenges Facing the 'One Belt, One Road' Strategy, 46;
16. Wethington, O and Manning, R (2015) "Shaping the Asia-Pacific Future: Strengthening the Institutional Architecture for an Open, Rules-Based Economic Order," Atlantic Council <http://www.atlanticcouncil.org/publications/reports/shaping-the-asia-pacific-future-strengthening-the-institutional-architecture-for-an-open-rules-based-economic-order>
17. Yang Xilian, "Assessment on Security Environment of East Asian Region Along Belt and Road," International Strategic Studies no. 3 (2015), 37. Yang is a former defense attaché to both the Republic of Korea and the Democratic People's Republic of Korea;
18. Zhou, J, Hallding, K, and Han, G (2015) "The Trouble with China's 'One Belt One Road' Strategy" The Diplomat <http://thediplomat.com/2015/06/the-trouble-with-the-chinese-marshall-plan-strategy/>

### **Acknowledgements**

Our sincere thanks go to the officials of the libraries of the China Institute of Boundary and Ocean Studied, the Wuhan University Law School and the Department of International Relations & Public Administration for the provision of the documentation and their permanent availability.

### **"Funding"**

The authors received no financial support for the research, authorship, and/or publication of this article

### **Declaration of Interest**

We solemnly declare that there is no conflict of interest