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[Business](#), [Strategy](#)



The One Belt, One Road initiative consists of several economic and some non-economic elements. Perhaps the most frequently mentioned economic element is a Chinese commitment to invest heavily in a wide variety of infrastructure projects in order to strengthen the economic capacity and “connectivity” among the nations within the One Belt, One Road area and with China’s western regions. There are several mechanisms designed entirely or in part to support such infrastructure development, including the Silk Road Fund and the Asia Infrastructure Investment Bank (AIIB). More broadly, from the perspective of China’s overall development policies, the One Belt, One Road concept is seen by many Chinese media as a major element of the economic reform process. Shortly after being announced, the initiative was explicitly linked to Chinese reforms in a decision of the 18th CCP Conference in November 2013. The decision states: We will set up development-oriented financial institutions, accelerate the construction of infrastructure connecting China with neighboring countries and regions, and work hard to build a Silk Road Economic Belt and a Maritime Silk Road, so as to form a new pattern of all-round opening. The initiative should promote five major goals which are: “ policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds.” “ facilities” (infrastructure) is perhaps the most significant, since it provides the necessary means for attaining many of the other goals mentioned above. “ Central Asia, Russia, South Asia, and Southeast Asian countries will be given priority consideration . . . while Middle Eastern and East African countries are in the junction” linking the Asian with European countries. Another major feature of the One Belt, One Road initiative is that it is

intended to be as open and inclusive as possible, apparently involving few if any requirements or restrictions, and to exist in cooperation with, and not against, other international development initiatives. In stressing the open and cooperative nature of the One Belt, One Road initiative, many Chinese media uses the metaphor of a “ symphony,” involving the participation of many countries, and not a “ solo” effort by China alone. However, the initiative was described as a “ response” to the new geopolitical situation marked by the U. S.

“ rebalance to Asia,” Japan’s accelerated “ steps toward normalization,” India’s rapid economic growth, and increasing worries toward a stronger China among China’s “ neighboring Asian countries.” From this geopolitical perspective, the One Belt, One Road initiative can be seen as a new kind of “ strategy” designed to support the larger effort announced by Xi Jinping, to strengthen Beijing’s periphery diplomacy and create a “ new type of major country relations,” both of which are based on intensive cooperation and a zero-sum (i. e., “ win-win”) approach to international politics and economics.

One Belt, One Road has been described as “ the most significant and far-reaching initiative that China has ever put forward.” However, for both China and many of the countries involved, in cultural and historical terms, much is at stake in this project. As Xi Jinping indicated in his speech, the Belt and Road will “ promote inter-civilization exchanges to build bridges of friendship for our people, drive human development and safeguard peace of the world.” Dozens of countries have already supported the initiative to varying

degrees, even if their enthusiasm often varies depending on whether they are speaking publicly or privately.

For most Asian countries, the interest in BRI is motivated less by some ideological shift towards China and more by a practical recognition of its relevance for advancing their own economic goals. But there are still concerns about the initiative. Due to the OBOR funding arrangements, China benefits from both the financing and construction of infrastructure projects, while the recipient countries must bear the financial risk. When trade volumes are high the arrangement will be mutually beneficial, and that may not matter, but when it is not, it could become a source of concern for the recipient country.

To summarize, the OBOR is positive for developing countries, and it is an opportunity to improve their infrastructure. Overall, while the One Belt, One Road initiative offers considerable potential in several economic, political, cultural, and strategic realms, it also presents many uncertainties and potential concerns. It has clearly become a major foreign and economic policy hallmark of the Xi Jinping government.