

China's "One Belt One Road" Initiative

As a method of connecting China with the world

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Abstract—"One Belt One Road" project is perceived as key to boosting comprehensive partnership between China, the world's largest developing country and over 60 countries across Asia, Europe, the Middle East and Africa. The article highlights the main directions of cooperation between China and other countries within the "One Belt One Road" framework. In the authors opinion, it includes policy coordination, financial integration, unimpeded trade, facilities connection and people-to-people bonds. In particular, the article highlights the importance of the project to China and countries involved. The author of the article affirm that such cooperation plays an indispensable role in collaboration between states and represents a new model of multilateral relations. The author calls upon China and other countries to broaden cooperation.

Keywords—*One Belt One Road; policy coordination; financial integration; unimpeded trade; facilities connection and people-to-people bonds*

I. INTRODUCTION

More than two millennia ago the Silk Road was established by China's imperial envoy Zhang Qian as a route of trade and cultural exchange that linked the major civilizations of Asia, Europe and Africa. Centuries later, in the years of Tang, Song and Yuan Dynasties, the silk routes over land and at sea, developed very quickly. Famous adventurers, such as Du Huan of China, Marco Polo of Italy and ibn Batutah of Morocco, left their footprints along these ancient routes. It is important to notice, that these adventurers won their place in history not as conquerors with warships, guns or swords. They are remembered as friendly emissaries. Generation after generation, the Silk Road travelers have built a bridge for peace and cooperation

between countries. The term Silk Road entered historical science in the late 19th century, after the publication of German scientist and historian- Ferdinand Freiherr von Richthofen's book named "China" in 1877.

For thousands of years, the main goals of Silk Road included peace and cooperation, mutual learning and benefit. In that case, it is important to notice that such goals create background of China's foreign policy and demonstrate succession of generations. Furthermore, the Silk Road made a big contribution to the prosperity and development of the countries along the Silk Road. Just like now, that time Silk Road was the cooperation and communication bridge between the East and the West.

During Chinese President Xi Jinping's visits to Central and Southeast Asia in September and October 2013, he unveiled the initiatives of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road in cooperation with other countries. Moreover President Xi laid out the policy of coordination, financial integration, unimpeded trade, facilities connection and people-to-people bonds as the five major aims. Each initiative has attracted close attention from all over the world.

The Silk Road Economic Belt and the 21st Century Maritime Silk Road or shortly "One Belt One Road" (OBOR) can be determined as enhancing and developing routes program. The Silk Road Economic Belt calls for building a "Eurasian land bridge". By and large it is going to be a logistics chain connecting start point on China's east coast with Rotterdam in Western Europe. Moreover, it is expected that the initiative will connect China with Mongolia and Russia, central Asia and South-East Asia in the sphere of developing a number of economic corridors. The 21st

Century Maritime Silk Road is a sea route like the old maritime Silk Road, which went westwards from China's east coast to Europe through the South China Sea and the Indian Ocean.

The 21st century is marked by calls for peace, cooperation, mutual benefits and development, so it is important to carry on the main goals of the Silk Road in the face of changing international and regional relations.

II. BACKGROUND

The 21st century marks a number of significant changes in the development of the world political process. These changes are mainly expressed in strengthening of interdependence of peoples and states, sharp expansion of factors acting on the international scene, transformation of the structure of the international system, deepening of global problems that endanger the existence of mankind. A consequence of these changes in the life of the world community in many respects is the depreciation of former geopolitical strategies and ways to achieve the goals. New realities put forward in the agenda of the world's politics and the creation of a system of international relations that would ensure the security of all peoples and states and become an effective tool for addressing humanitarian, economic and environmental problems humanity faces, promotion of the democratization of international life, consolidation of people regardless of their national, state or social class.

From historical perspective, humankind has reached profound changes in many spheres. In this increasingly economically globalized, culturally diversified, multi-polar and digitized world, the trend toward peace and development becomes stronger. The 21st century demonstrates a close interdependence among countries.

Today the world is fraught with challenges. Hot beds of tension in some regions cause instability and trigger terrorism. Global growth requires new drivers, at the same time development needs to be more balanced and comprehensive.

One of the most significant and innovative manifestations of the current trends of economic regionalization and globalization is the Silk Road Economic Belt and the 21st Century Maritime Silk Road, in other words, the Chinese initiative "One Belt One Road", which was put forward by China's President Xi in 2013. The long-term vision of the Chinese initiative is to create an economic land belt and a sea route in countries along the New Silk Road [1].

III. COOPERATION PRIORITIES

Countries along the China's project "One Belt One Road" have their own resource and economical advantages, which can be mutually complementary. Therefore, there is a great potential and space for cooperation. Chinese President Xi laid out policy coordination, financial integration, unimpeded trade, facilities connection and people-to-people bonds as the five major aims of "One Belt One Road".

According to the five major aims, we can summarize the following points:

First, talking about policy coordination, we should notice that China side have already enhanced coordination with such policy initiatives as the Eurasian Economic Union of Russia, the Master Plan on ASEAN Connectivity, the Bright Road initiative of Kazakhstan, the Middle Corridor initiative of Turkey, the Development Road initiative of Mongolia, the Two Corridors, One Economic Circle initiative of Vietnam, the Northern Powerhouse initiative of the UK and the Amber Road initiative of Poland.

Second, China calls for the transformation of consensus into action and for new results in practical cooperation and financial integration. The strategy of the "One Belt One Road" presents an open and inclusive platform for development, in which all countries can participate, contribute and benefit equally [2]. For instance, the Asian Infrastructure Investment Bank has issued US\$1.7 billion of loans for 9 projects in Belt and Road participating countries. The 16+1 financial holding company between China and Central and Eastern European countries has been inaugurated. In this case, it is important to mention the Silk Road Fund, because it plays a great role in comprehensive cooperation between states. The Silk Road Fund was established in Beijing on December 29, 2014, with investment from the State Administration of Foreign Exchange, Export-Import Bank of China, China Development Bank and China Investment Corporation. The Fund is a source to long-term development and investment fund. Through a variety of forms of investment and financing, the Fund is dedicated to supporting industrial capacity and financial cooperation, resources, energy and infrastructure development in countries and regions involved in the "One Belt One Road" initiative to insure medium and long-term financial sustainability. The Silk Road Fund has attracted US\$4 billion of investment. The Fund works to bring the peoples involved in the Belt and Road Initiative closer to build a partnership platform to promote open cooperation for better future [3].

Third, total trade between China and other Belt and Road countries in 2014-2016 has exceeded US\$3 trillion, and China's investment in these countries has surpassed US\$50 billion. Chinese companies have set up 56 economic cooperation zones in over 20 countries, generating some US\$1.1 billion of tax revenue and 180,000 job places for them[4].

Fourth, some results in the sphere of infrastructure connectivity have been reached by China within these four years. Building roads and railways creates development impetus in all sectors. Now China is building Addis Ababa-Djibouti railway, Hungary-Serbia railway, China-Laos railway and Jakarta-Bandung high-speed railway, in addition China is making upgrade to Gwadar and Piraeus ports in cooperation with relevant countries. A large number of projects is also in the process of realization, and also a multi-dimensional infrastructure network is taking shape today.

Fifth, people-to-people bond provides the public support for realization of the Silk Road Initiative. China pays attention to the promotion of broad academic and cultural

exchanges, media cooperation, volunteer services, to gain public support for deepening bilateral and multilateral collaboration. In this case, it is quite important to notice that public diplomacy is an important direction of promoting China's diplomacy in the 21 century. People-to-people cooperation is one of the most significant channels and ways of China's public diplomacy, it is also the way to build confidence between states. Public diplomacy goals were outlined during the 18th Congress of Chinese Communist Party in the last month of 2012. The most important point includes: creating a strong social base among young people, making cultural industry mainstay of national economy, strengthening social cultural base [5]. Language conveys culture. Promotion of the language for the sake of spreading culture is nothing new in our time. The Chinese Government pursues the strategy of "going global and inviting in". Nowadays China is holding many cultural programmes, such as cultural weeks and years between China and foreign countries, competitions among Chinese speaking foreigners, Confucius Institutes and classes. Certainly, these activities help Chinese culture become global. Confucius Institute is one of the outstanding methods in China's public diplomacy, which creates the bridge of friendship in the sphere of cultural diplomacy between China and other foreign cultures. The Chinese member of standing committee Li Changchun said that the Confucius Institutes are "an important channel to glorify Chinese culture help Chinese culture spread around the world", which is "part of China's foreign propaganda strategy" [6]. Every year more and more foreigners come to China to learn Chinese language, Chinese culture and traditional medicine. In essence, these activities are real result of Chinese public diplomacy programme. China's local governments have also set up special Silk Road scholarships to encourage educational exchanges and international cultural. Projects of people-to-people cooperation, for instance seminars and think tank dialogues, Silk Road culture years, tourism years, art festivals, TV projects flourish day by day.

IV. "ONE BELT ONE ROAD" SUMMIT 2017

First of all we should mention that about 30 heads of states and governments, including Chinese President Xi Jinping, chiefs of the International Monetary Fund, World Bank, the UN and representatives of world organizations took part in the first international Belt and Road Forum in May 2017. The two-day meeting is also considered the largest and highest-level international meeting held in China. China's first international Belt and Road Forum has been finished in Beijing with a consensus on the global initiative.

China is going to push forward cooperation in emerging industries, increase cooperation in supply chain safety and convenience, improve the coordination of cross-border supervision procedures, expand trading areas, improve trade structure, explore new growth areas of trade, and promote trade balance, speed up investment facilitation, eliminate investment barriers, and push forward negotiations on bilateral investment protection agreements and double taxation avoidance agreements to protect lawful rights and interests of investors, enhance cooperation in deep-

processing technology, equipment and engineering services in the fields of energy and resources, increase cooperation in the exploration and development of conventional energy sources and renewable energy sources.

For better understanding of the international position regarding this initiative, quotes which were outlined during the forum are given below.

Chinese President Xi Jinping: "China will also provide relevant international organizations with US\$1 billion to implement cooperation projects that will benefit the countries along the Belt and Road; will launch 100 "happy home" projects, 100 poverty alleviation projects and 100 health care and rehabilitation projects in countries along the Belt and Road; will provide emergency food aid worth 2 billion yuan to developing countries along the Belt and Road and make an additional contribution of US\$1 billion to the Assistance Fund for South-South Cooperation; will provide assistance worth 60 billion yuan (US\$8.7 billion) in the coming three years to developing countries and international organizations participating in the Belt and Road Initiative to improve people's well-being. In the next five years, China will offer young foreign scientists 2,500 short-term research visits to China, train 5,000 foreign scientists, engineers and managers, and set up 50 joint laboratories with countries participating in the Belt and Road Initiative to enhance cooperation on innovation; will launch the Belt and Road Science, Technology and Innovation Cooperation Action Plan, which consists of the Science and Technology People-to-People Exchange Initiative, the Joint Laboratory Initiative, the Science Park Cooperation Initiative and the Technology Transfer Initiative and will contribute an additional 100 billion yuan (about US\$14.5 billion) to the Silk Road Fund".

Russian President Vladimir Putin: "Russia salutes China's large-scale initiative which can help the country seize opportunities in the region. Given the country's geopolitical status, Russia is willing to cooperate with China in various sectors".

The World Trade Organization Director-General Roberto Azevedo: "The benefits of the Belt and Road Initiative will be felt by the people in most developing countries".

The Managing Director of the International Monetary Fund Christine Lagarde: "The Belt and Road Initiative is about connecting cultures. It's about connecting communities. It's about enriching economies and improving the standard of living of people. It's also about adding new economic flavors by creating new infrastructure projects, both hard and soft".

U.N. General Assembly President Peter Thomson: "The initiative will bring enormous benefits to all involved"[7].

V. CONCLUSION

Having briefly examined some of the modalities of the China's "One Belt One Road" initiative, it is important to note that "One Belt One Road" is an initiative, to launch new trade routes, establish links and create business opportunities between countries. Along its way, "One Belt

One Road” passes through over 60 countries, across Asia, Europe, the Middle East and Africa.

“One Belt One Road” is not only an economic initiative but also a major geopolitical one. It is important to notice that different economic and politic situations in countries along the Silk Road’s routes may bring some imply inherent risks, ranging from legal and financial challenges to political or social instability and regional disputes.

It is also quite important to stress that China’s initiative is based on mutual respect. China did not have practice of influencing events. Chinese side keeps Five Principles of Peaceful Coexistence. Therefore, China is keen on deepening relations with countries, it seeks for partnership, mutual benefit and long-term relations. At the same time we have to notice that the Chinese initiative, which unites two projects - the Economic belt of the Silk Road and the Sea Route, is an emerging alliance of developing states being created around one world power - China. International cooperation, which is proclaimed as the main goal, will be implemented on the basis of China's investment [8].

Accelerating the building of the Silk Road Economic Belt and the 21st Century Maritime Silk Road can promote economic development of the countries along the "One Belt One Road", in addition it can improve regional economic cooperation, strengthen exchanges and mutual learning between different civilizations [9]. History is our best teacher. The silk routes shows that geographical distance is not insurmountable. By and large, it can promote world peace and development. As a Chinese saying goes, "Peaches and plums do not speak, but they are so attractive that a path is formed below the trees". Four years later we can summarize that the initiatives of the Belt and Road are becoming a reality and bearing rich fruit. Overall, it can be predicted that the initiative has the potential to shape global trade and investment well into the future.

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