

From Made in China to Made by China: Economic and Geopolitical Implications of the Belt and Road Initiative

Sulwen Ma

“I cannot recognize the streets where I grew up!” To my mother, Danielle Xu, today’s Hangzhou is nothing like the lakeside retreat of her childhood. Two-story homes and quiet streets have been demolished and turned into luxurious modern buildings and a bustling metropolis. The city, dubbed the “Silicon Valley of China,” is now home to the Alibaba Group, Taobao, and Ant Financial. As evidenced by my mother, and by the city of Hangzhou, the China of today is nothing like the China she grew up in during the Cultural Revolution of the 1960’s. Fueled by President Deng Xiaoping’s 改革开放, the Chinese Economic Reform or “Opening of China,” the country grew at an unprecedented rate. However, while President Deng prioritized stable and peaceful relationships with other countries to achieve internal economic development and integration, President Xi Jinping seems to place a greater emphasis upon using economic means in the pursuit of security goals of territorial protection and preserving domestic order. Economic diplomacy has become a more prominent feature of China’s foreign policy with Beijing taking on a more proactive leadership to expand trade and investment frameworks and exercise greater international influence. This new economic and political assertion manifests itself as the 2013 Belt and Road Initiative, an ambitious strategy that encompasses the building of a Silk Road Economic Belt and a 21st Century Maritime Silk Road.

The Silk Road Economic Belt links China to Central Asia, West Asia, South Asia, the Middle East, and Europe with interconnecting infrastructure corridors made up of overland routes for road and rail transportation that link cities or countries together as well as visa and transport agreements. Specifically, these routes will be created to connect manufacturing hubs with areas of high demand. This part of the initiative attempts to join China with European countries such as Russia and the Association of Southeast Asian Nations such as Myanmar and Malaysia into a cohesive economic area by building infrastructure, increasing cultural exchanges, and the broadening of trade. Currently, North, Central, and South belts have been proposed. The North belt would pass through Central Asia and Russia into Europe, the Central belt would pass through Central and West Asia to the Persian Gulf and the Mediterranean, and the South belt would run from China to Southeast Asia to the Indian Ocean through Pakistan. Current plans for land corridors, made up of rail and road infrastructure, include the New Eurasian Land Bridge, the China–Mongolia–Russia Corridor, the China–Pakistan Economic Corridor, and the Bangladesh–China–India–Myanmar Economic Corridor. At sea, and in concert with the projects on land, The 21st Century Maritime Silk Road strives to invest in and foster collaboration through countries bordering the South China Sea, the South Pacific Ocean, and the wider Indian Ocean area. In particular, BRI attempts to connect the fast-growing Southeast Asian region, Africa, Latin America, and Europe to China’s southern provinces through various ports.

China has undoubtedly changed since my mother’s childhood. Beijing, led by President Xi, is ever so ambitious and confident in the country’s economic diplomacy as evidenced by his concrete initiatives and a more aggressive form of foreign policy—as opposed to Xi’s predecessors who all championed maintaining a low profile.¹ All of this has been packaged into the BRI, President Xi’s signature foreign policy initiative. Although plans for current and future projects are vaguely defined by the CCP and partnering countries, the BRI is a neocolonial, far-

reaching global initiative that is sure to provoke future geopolitical and geoeconomic concerns for not only the United States, but the entire world.

This paper finds that the CCP, led by President Xi, can be successful in using the BRI to practice neocolonialism—which, for the purposes of this paper, will be defined as the practice of using economic diplomacy, globalization, and cultural imperialism to influence developing countries as opposed to previous colonial methods of direct military or political control. In proving this position, this paper will first review literature on the ethical nature of China taking a more dominant role in economic and political affairs of the world as well as implications of the BRI for the United States. Next, this paper will examine concerns and challenges facing the BRI, therefore questioning the feasibility of the initiative. As another rival argument to the CCP's unruly intentions of the BRI, this paper will also explore Chinese rhetoric and scholarship in regards to the BRI, finding that the CCP has put up a façade in regards to the initiative. Next, this paper will examine the economic and geopolitical aspects of the BRI and how each contributes to the practice of neocolonialism. This paper will find that China's pressing economic concerns are an incentive for the country to pursue neocolonialism in developing countries through the use of Chinese economic diplomacy and development finance. Finally, this paper will delve into the geopolitical aspects of the BRI, in terms of geostrategic necessity and the use of soft power, proving that the CCP is using the BRI as a vehicle of cultural imperialism to gain influence over its partner countries.

Literature Review: China's New World Order and How BRI Affects the United States

Scholars such as Ian Bremmer, Adam Ingle, and Jane Golley believe that the BRI is predominantly an economic issue, and that China, from an ethical standpoint, should not have a say in other affairs on the global stage. However, regardless of ethical validity, scholars such as Ely Ratner, Gal Luft, and Nguyen Thi Thuy Hang believe that China's influence is expanding and will continue to change geopolitical realities for the world and especially for the United States. Of those who believe in future geopolitical implications, some believe that West should not exercise hegemony in Asia and has already lost in terms of future political and monetary influence. Others believe that the Trump Administration has the opportunity to shape current and future BRI programs for the good of the United States. Regardless, the BRI and Chinese interests in foreign affairs are sure to change global order.

The CCP introduced the BRI as a revolutionary set of programs that work to benefit both parties of every deal—to benefit and develop the entire world. At the World Economic Forum in Davos, Switzerland, President Xi spoke of China's ongoing commitment to “open, transparent and win-win regional free trade agreements.”² A video for the BRI depicts children from BRI partner countries around the world singing and dancing to a song titled “The Belt and Road is How,” a song about sharing in a world of prosperity.³ In another promotional video titled “Why I proposed the Belt and Road,” released on Youtube in 2017, President Xi reiterates that:

The Belt and Road Initiative draws inspiration from the ancient Silk Road and aims to help realise the shared dream of people worldwide for peace and development. Shining with the wisdom from the East, it is a plan that China offers the world for seeking common prosperity and development 共同繁荣发展。⁴

However, amidst all the propagated joy, sources from Jane Golley, Acting Director of the Australian Centre on China in the World, to Peter Cai, a Nonresident Fellow at the Lowy Institute, point to the looming distrust between not only China and other countries, but China and its own policymakers and bankers.⁵ Ingle and Golley, authors of *The Belt and Road Initiative: How to Win Friends and Influence People*, draw attention to the radically different approaches that President Xi and President Trump are taking to the global political economy, with Xi's policy becoming increasingly multilateral and Trump's more unilateral. They reference that President Xi is "creating a new kind of globalization that will dispense with the rules of the aging Western-dominated institutions" with the "goal to refashion the global economic order, drawing countries and companies more tightly into China's orbit."⁶ No matter the CCP's insistence that advancing its position and influence in the world is not China's goal, Ingle and Golley believe that there is much that Xi can do to improve transparency, but also that it is not China's responsibility to uphold global economic order—a position reserved for the most powerful and influential countries. On the other hand, Ian Bremmer, founder of Eurasia Group, the world's largest political risk consultancy, holds a contrasting view. He believes that China is ready to take more responsibility for world problems such as environmental issues, political crisis, social issues, and economic crisis, "but only in the economic sphere," as China has seen how costly and ineffective being the "world's policeman" has been for the United States.⁷ As China is an authoritarian, Communist country, scholars such as Ingle, Golley, and Bremmer are wary of China's intentions and ideologies. However, with the country's economic growth, discrediting China's position in the economic sphere of the world seems improbable.

From a geopolitical standpoint, it seems as if the United States and China are locked in a competition for political influence and economic dominance in Asia, if not the entire world. Ely Ratner, a former Maurice R. Greenberg senior fellow for China studies at the Council of Foreign Relations and current Director of Studies at the Center for a New American Security, sees the United States as losing this competition. While China is actively promoting itself and its policies throughout Asia, President Trump has severed the United States' partnerships and alliances by leaving the East Asia Summit before the plenary session in 2017 and, in 2018, not even attending the East Asia Summit, Asia-Pacific Economic Cooperation meeting, or Association of Southeast Asian Nations meetings himself.⁸ Gal Luft, co-director of the Institute for the Analysis of Global Security, believes that Washington will be able to leave its imprint on the final projects of BRI to be more advantageous to the United States, and Nguyen Thi Thuy Hang, a lecturer at the Diplomatic Academy of Vietnam, believes that Beijing and Washington will need to compromise for a mutually beneficial partnership.

Ely Ratner, in his 2018 prepared statement before the U.S.-China Economic and Security Review Commission at the 115th Congress, *Geostrategic and Military Drivers and Implications of the Belt and Road Initiative*, believes that an inevitable geopolitical competition between China and the United States will "determine the rules, norms, and institutions that govern international relations, as well as levels of peace and prosperity for the United States."⁹ Moreover, he believes that the United States is beginning to lose this competition in terms of economic prosperity and soft power influence that will not only crumble U.S.-led order in Asia, as defined by the Southeast Asia Treaty Organization, but lead to a China-dominated region that will be "less free,

less open, and less inclusive than it is today.”¹⁰ To Ratner, China remains a threat to standing world order and the United States must act in defense to maintain peace and democracy. Gal Luft, in his report *US Strategy toward China’s Belt and Road Initiative*, believes that BRI’s maritime routes in the South China Sea and the Indian Ocean offer challenges to waters the U.S. Navy has enjoyed understood rule in since World War II and creates new security challenges for the United States in Pakistan on critical matters such as Afghanistan, Kashmir, counterterrorism, and nuclear proliferation.¹¹ However, contrary to Ratner, he believes that Washington will be able to exert its influence and leave its imprint on final BRI programs that makes the programs more advantageous to the United States. Luft is also optimistic in the sense that he believes the Trump administration has the opportunity to reshape the conversation on trade and steer the United States and China towards a mutually beneficial partnership. Unlike Ratner, Luft believes that the United States is not “losing” and still may have some authority to keep the current balance of power in the United States’ own favor.

Similar to Luft, Nguyen Thi Thuy Hang, in her paper *The Rise of China: Challenges, Implications, and Options for the United States*, believes that the United States need to “be prepared for both cooperating and confronting with China.”¹² Throughout her paper, Hang employs the “Hegemonic Cycle framework” to “establish empirical evidence of the rise and decline of the world powers since the sixteenth century.”¹³ She concludes that the United States’ relationship with China in the 21st century will be characterized by both cooperation and confrontation to be able to maintain the current world order, in which the United States seems to be the hegemon. Hang offers a broad overview of China's rapid rise in the world's economy and how such rise may pose a geopolitical challenge to the United States. She mentions BRI as a way for China to effectively promote China's soft power in all of Western Europe and Asia through economic growth and military modernization. The United States should be prepared for both cooperating with and confronting China as each attempts to become the lone superpower of contemporary world politics.

While Ingle, Golley, and Bremmer see BRI as more of an economic challenge to global order and China’s place more so in only the economic sphere of world problems, Ratner, Luft, and Hang believe that there is more of a challenge to the United States’ geopolitical position. Even with BRI as a geopolitical threat, Ratner believes that the United States is losing the competition because the United States has not yet officially acknowledged nor attempted to interfere with the BRI while Luft and Hang believe Washington must exert its influence to confront and cooperate with the CCP because of possible ramifications to the American economy if the BRI were to fail and so that the CCP cannot further extend its authoritarian values and ideologies. Regardless, all of the scholars agree that the hegemony the United States has enjoyed in Asia for so long is sure to change and the results of the actions of the United States and China’s programs might shape the geopolitical realities of world order for decades to come.

Rival Argument: Concerns and Challenges Facing BRI

Although an ambitious foreign policy and economic initiative, the BRI has produced much concern for both financial uncertainties as well as political and security risks both within and beyond the borders of China, most notably for more developed countries. Although the Chinese

government presents the BRI as a way to create mutually beneficial partnerships between China and the world, countries throughout Europe and in the United States treat it with much caution.

In particular, many European countries are concerned with the tenuous definition associated with the BRI. To Michal Meidan and Luke Patey of the Danish Institute for International Studies, the initiative is “without clear goals and guiding principles” because of bureaucratic excess:

The action plan for the Belt and Road Initiative was issued in March 2015 by three ministries: the Ministry of Foreign Affairs, the national Development and Reform Commission as well as the Ministry of Commerce, but it reads more like a statement of ambitions from well over a dozen additional bureaucracies and provinces.¹⁴

Meidan and Patey greatly emphasize the internal and external challenges for the CCP. Not only will the BRI encounter countless challenges overseas, because many proposed BRI transportation routes will pass through areas suffering from terrorism and insurgency and other domestic instability in partner countries, but it also faces problems domestically. With so many bureaucracies and provinces applying for or initiating BRI programs, the actual plans are too spread out to be clear and feasible. The financing available to these bureaucracies and provinces will unequivocally be stretched and the risk of inefficient investment seems high. As many BRI projects extend into countries with political and operational insecurity in Asia and the Middle East, it will become increasingly difficult for the Chinese government to not be susceptible to conflict and more active diplomatic engagement. There is a lack of political trust between China and many important BRI countries, namely India, where the Foreign Secretary Subrahmanyam Jaishankar stated that the BRI is “a unilateral initiative and that India would not commit to buy-in without significant consultation.”¹⁵ The China-Pakistan Economic Corridor is also an obvious obstacle for Indian partnership in BRI because of political tension between India and Pakistan. However, the biggest challenge for President Xi may just be the adequate communication of his intentions for the BRI so that other global powers such as Russia, India, and the United States do not feel threatened and become driven by competition instead of cooperation.

In addition to apprehension from other countries, most notably European countries, China’s financial establishment is concerned about the great risk associated with investment losses from BRI projects. Not only are outbound Chinese investments a concern for many developed countries, Chinese bankers themselves are concerned about the feasibility and plausibility for many BRI projects. Rob Hunter, a non-resident senior fellow with The German Marshall Fund of the United States, believes that the “influx of investment into advanced markets has prompted concerns ranging from national security, to competitiveness, to lack of reciprocal access to the Chinese market, and even to food security.”¹⁶ This investment into advanced markets of the world, from the United States to those of the European Union to India, have indirectly impacted other global powers. The BRI also floods money into its partner countries’ developing economies, such as those in Bangladesh and Myanmar, with small markets and tremendous amounts of foreign debt. Tereza Kobelkova, a former visiting fellow at the East-West Center, believes that “international commentators have focused on the political gains that the initiative offers to China” and forsaken the “great risks of investment losses arising from the initiative.”¹⁷ Currently, the majority of the 68 countries that have signed onto—whether that be a signed agreement for a proposed project or simply support and recognition for a future partnership—the

BRI are fraught with civil unrest, political change, and debt crises that might contribute to the loss of investments and may even impact the Chinese economy negatively. According to Cai:

A chief investment officer from one of China's largest state-owned financial institutions told [Cai] about his own reservations: "I prefer to invest in places like Canada and Australia, where I can get safe and decent returns. However, where I have been ordered to invest in [BRI] countries, I will only allocate the minimum amount."¹⁸

This sense of apprehension from those within China, the country's own financiers and businesspeople, should be concerning, especially in the context of a worsening debt problem within China's financial system. Chinese bankers will have a large role in determining the future success of BRI programs. Although they have all expressed public support for the BRI, many are cautious both publicly and privately as they fund BRI projects and begin to navigate the international investment environment.¹⁹ However, regardless of apprehension for the feasibility of BRI projects, the initiative has become a centerpiece of Chinese foreign policy. The initiative itself is a reflection of President Xi's legacy and cannot be allowed to fail, especially with its large international backing and unprecedented funding from the CCP.

Rival Argument: BRI as a "Win-Win" Initiative

In 2015, Beijing requested that the One Belt One Road program be referred to as the "Belt and Road Initiative" instead. As explained by the Chinese, the English nomenclature "One Belt One Road" led to much misinterpretation. For a distinctly plural effort to improve connectivity on a trans-continental scale, the word "one" led many to believe that there was to be only one maritime belt and one land belt. The change in name and the inclusion of the word "initiative" was meant to better reflect the project's inclusivity and peaceful intentions rather than as a strategy set by a political agenda. All Chinese BRI propaganda gives off a similar effect, with a smiling Xi surrounded by a diverse group of people or children singing and dancing together in harmony.²⁰ President Xi and his administration speak of the same essence. Shortly after the announcement of the BRI, during the US-China presidential summit, Xi called for a "new type of major-power relationship in which China and the United States would strive to avoid conflict, increase cooperation, and develop a mutually advantageous relationship."²¹ The foundations of BRI itself calls for the promotion of "joint development," "common prosperity," and "cooperation" between China and many countries across Asia and to enhance connectivity between China and the rest of Eurasia.²²

Wenjuan Nie, an Associate Professor at the International Relations Institute of the China Foreign Affairs University in Beijing, a university for diplomats and administered by the Chinese Ministry of Foreign Affairs and Chinese Ministry of Education, proposes three criteria—feasibility, significance, and moral convergence—to analyze the BRI. Nie even contends that "politicians are likely to manipulate national interests to serve their own political ends."²³ And, when discussing the feasibility of the BRI, Nie emphasizes Xi's words at the 2016 G20 Summit in Hangzhou where Xi stated that the BRI is "results-oriented and not mere rhetoric."²⁴ Nie has no doubts as to the intentions of his supreme leader and believes that the BRI is "both feasible and practical."²⁵ In terms of significance, which Nie defines as having higher or lower priority, he states that BRI "is characterized by development and cooperation. As such, it is expected to

usher in an unprecedented period of integration and cooperation.”²⁶ Nie gives the BRI a very high significance and level of importance to the Chinese government, emphasizing the initiative’s ability to integrate and cooperate with neighboring countries. As for moral convergence, Nie believes that “it is imperative for China to propose and practise the moral values that can enhance the construction of its Great Power image.”²⁷ In this sense, he continues to state that it is because of China’s morality that the country strives to provide more public goods to its neighbors through connectivity development. President Xi himself gives a broader statement at the Dialogue on Strengthening Connectivity and Improving Cooperation in Asia in November of 2014:

... in promoting this initiative, China will follow the principle of wide consultation, joint contribution, and shared benefits. The development programs will be open and inclusive, not exclusive. They will be a real chorus comprising all countries along the routes, not a solo for China itself. To develop the Belt and Road is not to replace existing mechanisms or initiatives for regional cooperation. Much to the contrary, we will build upon the existing base to help countries align their development strategies and form complementarity.²⁸

All Chinese propaganda, whether from Nie or directly from President Xi, clearly emphasizes “win-win” scenarios for BRI projects, in which China will be successful in acting to aid others. However, with all of this inclusivity comes an inevitable influence China will have over the countries the BRI funds. Although the BRI projects could be exactly what the CCP portrays them as, inclusive and beneficial to all, propaganda and speeches are simply words. It is highly unlikely that the CCP is acting purely for the economic attractiveness of BRI projects as the Chinese government has too much capital to lose and not enough to gain. The economic and geopolitical incentives of BRI projects are too great to be ignored or to be dismissed as a side effect of this so-called Chinese do-gooding.

An Incentive: China’s Pressing Economic Concerns

Many countries and leaders in the European Union such as the Netherlands and Norway are wary of the BRI as an attempt to gain political leverage over its neighbors in Asia. However, some key factors behind the BRI are motivated by China’s economic concerns and regional disparity as the country’s economy develops and modernizes—a sort of economic diplomacy. According to Peter Cai, an analyst at the Lowy Institute for International Policy, “Beijing hopes its transnational infrastructure building program will spur growth in China’s underdeveloped hinterland and rustbelt.”²⁹ Overlooked by many, the BRI has a strong domestic focus to upgrade and update China’s industry and internal infrastructure. In particular, the CCP aims to use the BRI to redirect the country’s excess capacity, where Chinese factories are producing too much product for the demand, helping to promote domestic economies, and to export China’s technological and engineering standards. President Xi himself has stated that the Silk Road is based on the “free transit of goods, the removal of trade barriers, and the logistics and energy infrastructural modernization”³⁰ Because of the country’s rapid economic growth, China has to deal with the effects and a main role of the BRI may be to alleviate these effects, including the distribution of surplus goods.

China's excess capacity stems from the global financial crisis that occurred from 2007 to 2009 and is one of the most important economic priorities for the CPC. During the global financial crisis, the Chinese government saved China from a recession by making commodity prices excessively high.³¹ Although effective, a side effect of the solution was the creation of a surplus of excess in industrial sectors from steel to cement, as the increase of prices led to a decrease in demand domestically. The BRI is a way for these Chinese industries to export excess industrial materials and whole production facilities to neighboring countries to aid in building infrastructure projects and to enable easier transfer of the surplus domestic production. Chinese premier Li Keqiang stated such in his address to leaders of ASEAN countries in 2014 in Myanmar:

We have a lot of surplus equipment for making steel, cement and plate glass for the Chinese market. This equipment is of good quality. We want companies to move this excess production capacity through direct foreign investment to ASEAN countries who need to build their infrastructure. These goods should be produced locally where they are needed.³²

This portion of the BRI not only allows China to be rid of its excess capacity and surplus equipment, but also allows for the country to upgrade its own industries and move away from a cheap mass manufacturing model and into more competitive industries such as construction engineering, high-speed rail, electricity generation, and telecommunications. The goods China produced in surplus are those that can be used to build infrastructure, therefore expanding China's physical influence through roads and railways whilst offloading the country's excess goods.

Cai believes that regional development of the BRI is one of Beijing's most important economic policy objectives. To obtain domestic results, the CPC has created a National Development and Reform Commission to be the lead coordinating government agency for the BRI. Domestic Chinese projects of the BRI will be built and finished before overseas components so that Beijing can enforce its plans and ideas more effectively within its borders.³³ China has struggled to address the inequality between its inland western regions and prosperous eastern provinces. The BRI strives to address this uneven development within China by integrating them into regional economies using BRI projects. For example, the China-Pakistan Economic Corridor, which links Kashgar to Xinjiang, one of China's poorest provinces, with the Port of Gwadar.³⁴ Because Xinjiang is landlocked, the port will help reduce transportation costs for the province and allow for it to become a more successful part of the Chinese economy.

As another column of China's economic interests of the BRI, Chinese policymakers seem to believe that emerging markets in any BRI country with infrastructure projects will be more willing to accept Chinese industrial goods than developed countries in Europe or North America. With the BRI, Beijing believes that Chinese companies will become more internationally competitive. Cai believes that the best example of such is "high-speed railway diplomacy," in which China uses its railway technology in various BRI countries, such as those in Pakistan and into Russia or in Bangladesh, so that countries across the region may accept Chinese railway technologies to become the standard and allow Chinese manufacturers to have an advantage over

Japanese producers.³⁵ The BRI also strives to push Chinese standards for energy and telecommunications throughout BRI countries to benefit Chinese industry and products.

Therefore, Chinese incentives and purpose of its BRI may be primarily driven by economic considerations. However, these same economic considerations may also serve to assert China's leadership in its neighboring countries and ergo, as a geopolitical plan—and all of the above as an expression of Chinese neocolonialism.

Chinese Economic Diplomacy and Development Finance

The BRI has allowed for many “made-by-China” projects to come true as the country shifts away from mass manufacturing into foreign infrastructure projects. When President Xi came into power in 2012, he referenced a “Chinese Dream” at the “Road to Revival” exhibition of the National Museum of History in Beijing.³⁶ The term “Chinese Dream” encompasses two concepts of “harmonious society” and “harmonious world” to guide Chinese development through harmony, peace, stability, and wealth creation. In its essence, the CCP believes that the country must win the trust and support of the international community to develop its economy—a new economic diplomacy to guide the CPC's foreign policy. The BRI was created under this same “win-win” policy in which the implementation of BRI projects and programs are meant to be both harmonious and economically beneficial for all parties involved. For any BRI project, countries involved should benefit economically from improved infrastructure and increased trade. However, the Chinese seem to gain more in terms of its expansion of influence.

Furthermore, the global economy seems to be increasingly dependent upon Chinese growth. The BRI, therefore, seems to be guided by the Chinese concept of development finance 开发性金融. The structure of China's banking system seems to be identified by three kinds of finance: commercial, policy, and development.³⁷ Each financial institution has to commit to one kind of finance. To fund the BRI, Beijing uses three development finance institutions, the China Development Bank, as well as the newly created Asian Infrastructure Investment Bank and the Silk Road Fund. Chinese development finance follows the tenets of Western development finance that followed World War II such as the World Bank and the International Monetary Fund.³⁸ Among these so-called tenets is that economic development is dependent upon the construction of capital-intensive infrastructure. In China, however, development finance supports development lead only by national strategic interests.

Although these three development finance institutions are closely related to the institutions developed by the United Nations Monetary and Financial Conference of 1944, or the Bretton Woods conference, there are a few differences.³⁹ Most evident is that fact that Chinese development finance serves only to aid China's national strategy and to support the goals of the CPC, a unilateral approach. Bretton Woods institutions however, are multilateral in nature, and strived to serve the interests of developing countries and the global community in general. The second difference between Chinese development finance and Bretton Woods institutions pertains to the importance placed upon strong institutions of governance in countries receiving investment. China's development finance reaches weak governments, corporate governance, law, and finance. In spite of these stability deficiencies and lack of political framework in some developing countries, China continued to fund these projects, and, with BRI, this kind of funding

could be applied on an unprecedented scale. Niu Wencin, the editor-in-chief for China Central Television's finance network, wrote that the Asian Infrastructure Investment Bank "breaks the monopoly of the Bretton Woods institutions in the development finance sphere, and that cheaper infrastructure-targeted loans could bring about a 'second Asian economic miracle.'"⁴⁰ He gave examples of the lending conditions the International Monetary Fund imposed upon the Mexican and Asian financial crises of the 1990s, suggesting that the World Bank and International Monetary Fund have become "tools of imperialism."⁴¹ Niu continues to state that the Asian Infrastructure Investment Bank, in contrast, "has created an unprecedented opportunity for developed and developing countries to engage in dialogue on development finance as equals."⁴² As evidenced by the new financial institutions created to fund the BRI programs, China now offers an alternative to Western funding that had dominated the world since the end of World War II. With the amount of money the BRI plans to fund infrastructure projects, an estimated four to six trillion dollars by 2049, China will undoubtedly have an influence over the countries associated with the BRI and prove to be a global force and an alternative to Western ideals—for better or for worse. However, the Chinese banking alternatives seem to be no different than the results of the Bretton Woods conference, as the Chinese are simply promoting a sort of neocolonial economic diplomacy instead of the classic colonialism of Western countries.

Geopolitical Implications:

Regardless of economic incentives, the BRI is a manifestation of power for China that serves as an approach to change global geopolitical and economic order. According to Frans-Paul van der Putten and Minke Meijnders of the Clingendael Institute, "Beijing's infrastructure-based approach to strengthening bilateral relations ultimately serves not only China's trade, investment and transportation interests, but also brings local leverage that could be used for security and geostrategic purposes."⁴³ Because the BRI encompasses a policy framework for Chinese infrastructure projects in Central Asia, Southeast Asia, the Middle East, Africa, and Europe, it is easier for the Chinese government to maximize long-term value for China's foreign policy interests. These interests may include securing market access for Chinese exports, trade, and investment and strengthening China's diplomatic, commercial, and geostrategic influence across the world. By expanding influence upon its neighboring countries such as Mongolia, Myanmar, and Vietnam, China is encouraging all BRI countries to be less dependent on the West. By improving a transportation network throughout Asia and into Europe and Africa with the BRI, China is placing itself into a central role of this economic space, to place Chinese-owned enterprises in the area so that China-friendly governments, can enjoy more influence. This influence would not only limit disruptions to Chinese foreign trade, but also increase options for the Chinese government to strengthen its influence because other countries will be dependent upon China's trade routes.

In many ways, the BRI should be viewed as the backbone of Chinese foreign strategy under President Xi. With the BRI, Chinese foreign policy has shifted away from its traditional isolationism and noninterventionism. Apart from the BRI, China has increased its participation within United Nations peacekeeping operations, organized the ASEAN plus China, the Asia-Pacific Economic Cooperation, the China-Arab States Cooperation Forum, and hosted the 2016 Group of Twenty summit in Hangzhou.⁴⁴ Partially spearheaded by the precedence of the BRI, China has increased its influence and interest in global affairs in not only other Asian countries,

but the leaders of the world's twenty leading economies. The BRI strives to maintain friendly relations and economic interdependencies to ensure the stability of the countries that BRI corridors reach. Its plans clearly and significantly impact the United States' interests abroad. However, to date, the United States has never publicly acknowledged the BRI, either by Congress nor by the US-China Economic and Security Review Commission.⁴⁵

Nguyen Thi Thuy Hang examines how the rise of China challenges the United States through the Hegemonic Cycle framework in his paper *The Rise of China: Challenges, Implications, and Options for the United States*. Hang asserts that Chinese soft power is important in promoting China's international reputation.⁴⁶ With China's film industry, the world's second largest, and through its Chinese Confucius Institutes to promote Chinese language, education, and culture, the Chinese image has been greatly strengthened. Hang's Hegemonic Cycle framework is based upon George Modelski's "The Long Cycle of Global Politics and the Nation State" which examines the lifespan of great powers and points out that the average duration of a hegemonic cycle includes two phases: the ascending and the descending.⁴⁷ According to Modelski, the United States is the current hegemon of the modern world system. However, as China rises as a powerhouse in world politics, China seeks to expand its presence and engagement in the Asia-Pacific region, which Hang believes is crucially important to the United States' geopolitical interests.⁴⁸ China, with its economic success and expansion of soft power, an extension of neocolonialism, has established its influence in world affairs. As China accumulates sufficient material, institutional power, and a peaceful and stable international environment, the country may prove to be a potential threat to United States hegemony.

Conclusion:

With the election of President Donald Trump, United States foreign policy has become increasingly unilateral and nationalistic. As President Trump has cut contributions to the World Bank and other multinational organizations, the world's developing countries may turn to China's deep pockets for help.⁴⁹ A lack of American engagement with the BRI will allow China to continue to shape its global development agenda and policy in Eurasia in ways that will be detrimental to the United States. Even if the United States continued to ignore China's BRI, the cost of the initiative's failure may be too great for the United States.⁵⁰ If China's cash reserves dwindle significantly, Beijing will no longer be able to finance United States debt, therefore placing a significant strain upon the United States to meet its budgetary obligations and any hope of the United States reducing its trade deficit with China. The United States, although threatened by the success of the BRI geopolitically, is also dependent upon its success in the economic sphere. Even if the BRI is somewhat problematically conceived and flawed in its execution, it will serve to be a game-changer in geopolitics and especially in US-China relations. The BRI offers an alternative to Western hegemony since World War II and allows for China to mark its place as an economic and political superpower. With the BRI as a kind of neocolonialism, the CCP is extending its influence beyond China's borders and into the world with economic diplomacy and soft power initiatives.

Notes

1. Jane Golley and Adam Ingle, "The Belt and Road Initiative: How to Win Friends and Influence People," in *Prosperity*, ed. Jane Golley and Linda Jaivin (Canberra, Australia: ANU Press, 2018), <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctv1rmjm7.9>.
2. Golley and Ingle, "The Belt," 46.
3. Ibid.
4. Golley and Ingle, "The Belt," 47.
5. Peter Cai, *Understanding China's Belt and Road Initiative* (Sydney, Australia: Lowy Institute for International Policy, 2017), 15, <http://www.jstor.org.menloschool.idm.oclc.org/stable/resrep10136>.
6. Golley and Ingle, "The Belt," 54.
7. Ian Bremmer, "Geopolitical Risks When There's No Cooperation," *Journal of International Affairs Editorial Board* 70, no. 2 (Summer 2017): 155, <https://www-jstor-org.menloschool.idm.oclc.org/stable/90012627>.
8. Ely Ratner, *Geostrategic and Military Drivers and Implications of the Belt and Road Initiative* (New York: Council on Foreign Relations, 2018), 2, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep17363>.
9. Ibid., 1.
10. Ibid.
11. Gal Luft, *The Anatomy of the BRI's Impact on US Interests* (Washington, DC: Atlantic Council, 2017), <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep16785.7>.
12. Nguyen Thi Thuy Hang, "The Rise of China: Challenges, Implications, and Options for the United States," *Indian Journal of Asian Affairs* 30, no. 1/2 (June-December 2017): 1, <https://www-jstor-org.menloschool.idm.oclc.org/stable/26465816>.
13. Ibid.
14. Michal Meidan and Luke Patey, *The Challenges Facing China's Belt and Road Initiative* (København, Denmark: Danish Institute for International Studies, 2016), 3, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep13112>.
15. Cai, *Understanding China's*, 15.
16. Rod Hunter, *An Allied Response to Chinese Investment* (Washington, DC: German Marshall Fund of the United States, 2017), 1, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep18753>.
17. Tereza Kobelkova, *China Balances Uncertain Gains with Potentially Big Payoffs in Belt and Road Initiative (BRI)* (Honolulu, HI: East-West Center, 2017), 1, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep17384>.
18. Cai, *Understanding China's*, 16.
19. Ibid.
20. Golley and Ingle, "The Belt."
21. Nie Wenjuan, "Xi Jinping's Foreign Policy Dilemma: One Belt, One Road or the South China Sea?," *Contemporary Southeast Asia* 38, no. 3 (December 2016): 423, <https://www-jstor-org.menloschool.idm.oclc.org/stable/24916765>.
22. Ibid.
23. Ibid., 428.
24. Ibid., 430.
25. Ibid., 432.
26. Ibid., 435.

27. Ibid., 437.
28. Ibid., 438.
29. Golley and Ingle, "The Belt," 1.
30. Alessandro Arduino, *China's One Belt One Road: Has the European Union Missed the Train?* (Singapore: S. Rajaratnam School of International Studies, 2016), 7, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05924.6>.
31. Cai, *Understanding China's*, 12.
32. Ibid., 13.
33. Ibid., 6.
34. Ibid.
35. Ibid., 10.
36. Daojiong Zha, *Chinese Economic Diplomacy: New Initiatives* (Singapore: S. Rajaratnam School of International Studies, 2015), 2, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05851>.
37. David Murphy, "One Belt One Road: International Development Finance with Chinese Characteristics," in *Pollution*, ed. Gloria Davies, Jeremy Goldkorn, and Luigi Tomba (Canberra, Australia: ANU Press, 2016), 246, <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctt1rqc934.23>.
38. Ibid., 247.
39. Ibid., 248.
40. Ibid., 250.
41. Ibid.
42. Ibid.
43. Frans-Paul Van der Putten and Minke Meijnders, *China, Europe and the Maritime Silk Road* (Den Haag, Netherlands: Clingendael Institute, 2015), 32, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05402.8>.
44. Gal Luft, *Silk Road 2.0: US Strategy toward China's Belt and Road Initiative* (Washington, DC: Atlantic Council, 2017), 10, <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep16785.6>.
45. Ibid., 10.
46. Hang, "The Rise," 51.
47. Ibid., 52.
48. Ibid., 55.
49. Luft, *Silk Road*, 13.
50. Ibid., 18.

Bibliography

Aaltola, Mika, and Juha Käpylä. "U.S. and Chinese Silk Road Initiatives: Towards a Geopolitics of Flows in Central Asia and Beyond." In *The Regional Security Puzzle around Afghanistan: Bordering Practices in Central Asia and Beyond*, edited by Helena Rytövuori-Apunen, 207-42. Leverkusen, Germany: Verlag Barbara Budrich, 2016. <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctvbkjzm0.14>.

Arduino, Alessandro. *China's One Belt One Road: Has the European Union Missed the Train?* Singapore: S. Rajaratnam School of International Studies, 2016. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05924.6>.

Bremmer, Ian. "Geopolitical Risks When There's No Cooperation." *Journal of International Affairs Editorial Board* 70, no. 2 (Summer 2017): 155-57. <https://www-jstor-org.menloschool.idm.oclc.org/stable/90012627>.

Cai, Peter. *Understanding China's Belt and Road Initiative*. Sydney: Lowy Institute for International Policy, 2017. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep10136>.

Chan, Irene. *ASEAN and the Indian Ocean: The Key Maritime Links*. Edited by Sam Bateman, Rajni Gamage, and Jane Chan. Singapore: S. Rajaratnam School of International Studies, 2017. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05888.10>.

Fabrizi, Rebecca. "Metal 金: Belt Tightening." In *Pollution*, edited by Gloria Davies, Jeremy Goldkorn, and Luigi Tomba, 215-40. Canberra, Australia: ANU Press, 2016. <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctt1rqc934.22>.

Golley, Jane, and Adam Ingle. "The Belt and Road Initiative: How to Win Friends and Influence People." In *Prosperity*, edited by Jane Golley and Linda Jaivin, 42-60. Canberra, Australia: ANU Press, 2018. <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctv1rmjm7.9>.

Hang, Nguyen Thi Thuy. "The Rise of China: Challenges, Implications, and Options for the United States." *Indian Journal of Asian Affairs* 30, no. 1/2 (2017): 47-64. <https://www-jstor-org.menloschool.idm.oclc.org/stable/26465816>.

Hunter, Rod. *An Allied Response to Chinese Investment*. Washington, DC: German Marshall Fund of the United States, 2017. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep18753>.

Kobelkova, Tereza. *China Balances Uncertain Gains with Potentially Big Payoffs in Belt and Road Initiative (BRI)*. Honolulu, HI: East-West Center, 2017. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep17384>.

- Luft, Gal. *Silk Road 2.0: US Strategy toward China's Belt and Road Initiative*. Washington, DC: Atlantic Council, 2017. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep16785.6>.
- Meidan, Michal, and Luke Patey. *The Challenges Facing China's Belt and Road Initiative*. København, Denmark: Danish Institute for International Studies, 2016. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep13112>.
- Murphy, David. "One Belt One Road: International Development Finance with Chinese Characteristics." In *Pollution*, edited by Gloria Davies, Jeremy Goldkorn, and Luigi Tomba, 245-52. Canberra, Australia: ANU Press, 2016. <https://www-jstor-org.menloschool.idm.oclc.org/stable/j.ctt1rqc934.23>.
- Ratner, Ely, and Maurice R. Greenberg. *Geostrategic and Military Drivers and Implications of the Belt and Road Initiative*. New York: Council on Foreign Relations, 2018. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep17363>.
- Sevilla, Henelito A. "China's New Silk Route Strategy and the Association of the Southeast Asian Nations (ASEAN)." *Indian Journal of Asian Affairs* 30, no. 1/2 (2017): 85-91. <https://www-jstor-org.menloschool.idm.oclc.org/stable/26465818>.
- State Council The People's Republic of China. "Full Text: Action Plan on the Belt and Road Initiative." [English.gov.cn](http://english.gov.cn). Last modified March 30, 2015. http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm.
- Van der Putten, Frans-Paul, and Minke Meijnders. *China, Europe and the Maritime Silk Road*. Den Haag, Netherlands: Clingendael Institute, 2015. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05402.8>.
- Wenjuan, Nie. "Xi Jinping's Foreign Policy Dilemma: One Belt, One Road or the South China Sea?" *Contemporary Southeast Asia* 38, no. 3 (December 2016): 422-44. <https://www-jstor-org.menloschool.idm.oclc.org/stable/24916765>.
- Zha, Daojiong. *Chinese Economic Diplomacy: New Initiatives*. Singapore: S. Rajaratnam School of International Studies, 2015. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05851>.
- Zhang, Hongzhou. *Building the Silk Road Economic Belt: Problems and Priorities in Central Asia*. Singapore: S. Rajaratnam School of International Studies, 2015. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep05938.8>.
- Zhao, Minghao. *China's New Silk Road Initiative*. Rome: Istituto Affari Internazionali, 2015. <https://www-jstor-org.menloschool.idm.oclc.org/stable/resrep09680>.