



China's "Belt and Road Initiative": Its Features and Future

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Three years have passed since China's One Belt, One Road (OBOR) or the Belt and Road Initiative, an initiative for modern edition of Silk Road, was disclosed in the latter half of 2013. This Initiative has many perspectives with the feature of top-down design of President Xi Jinping who speaks "Chinese Dream". In May 2017, a summit forum named "The Belt and Road Forum for International Cooperation" was held in Beijing, giving a new political momentum to this top-down initiative by the Communist party's central leadership. This article is intended to shed light on the political development of the Belt and Road Initiative and its strategic nature and to look to its future.

1. Appearance of the Belt and Road Initiative and issuance of its basic policy document

(1) Start of a Modern Edition of Silk Road Initiative

China's Belt and Road Initiative (BRI) was disclosed within a year after the establishment of the Xi Jinping administration in 2013. It started with the visit of President Xi¹ to the Central Asian countries in September 2013. President Xi referred to the idea of building a "Silk Road Economic Belt" for the first time in his speech at the Nazarbayev University in Kazakhstan. In the next month, he spoke an idea to build a "21st-Century Maritime Silk Road" at the People's

¹ Mr. Xi Jinping has many titles including General Secretary to the Central Committee of Chinese Communist Party, Chairman of the Central Military Committee of Chinese Communist Party and the People's Republic of China, President of the People's Republic of China, etc. Although there are cases where the title of general secretary should be used, "President Xi" is uniformly used for a descriptive purpose in the following sentences.

Representative Council (Parliament) of Indonesia during his visit to the Southeast Asian countries. These two speeches on building modern edition of Silk Roads were later combined and formed the BRI, which has been since aggressively propagandized in China and everywhere out of China².

In November 2014, a little more than one year after President Xi disclosed the ideas in his speeches outside of China, he advocated the idea or initiative to the top leaders of APEC countries on the occasion of bilateral meetings held on the side line of the APEC Summit Meeting in Beijing and asked for their understanding and consent to it, although any formal documents on the initiative had not been prepared yet. At the same time, he also explained about his plan to establish an Asian Infrastructure Investment Bank (AIIB) and also asked for their participation in and contributions to it³.

(2) Publication of Basic Policy Documents on “the Belt and Road” Initiative

The publication of policy documents that disclosed the contents of the BRI had to be waited until March 2015. In late November 2014, soon after the APEC Summit Meeting, President Xi held the Central Conference on Work Relating to Foreign Affairs (an important, highest-level meeting to decide the general direction of China’s foreign policy) for the first time in eight years since 2006, putting the BRI on the agenda. In December 2014, the annual Central Economic Work Conference discussed the issue, and upon the authorization by the State Council, a document titled “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road”⁴ (hereinafter referred to as “Vision and Actions”) was released in March 2015. This document was and still is the most important policy statement on the BRI.

The “Vision and Actions” was jointly issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce with State Council’s authorization, which expressed the comprehensive policies on diplomatic strategy, external economic and trade policy, and domestic and international infrastructure construction relating to the BRI. State-owned enterprises and local governments have started to compete to apply for approval of projects, in an effort to get the authorization and budget allocation by the National Development and Reform Commission, how deeply their infrastructure projects they wish to

² The Belt and Road initiative is commonly known in English as “One Belt, One Road” (“OBOR”), but the Chinese government formally calls it the “Belt and Road Initiative” (“BRI”) and by this naming it seems they want to emphasize the aspect that the initiative was proposed by President Xi Jinping.

³ From here begins the understanding of the evolution that the establishment of AIIB has been incorporated in the Belt and Road Initiative of China.

⁴ Please refer to the following URL for the full text in Chinese and English.
http://www.sdpc.gov.cn/gzdt/201503/t20150328_669091.html (in Chinese)
http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html (in English)

promote are related to the BRI. It seemed as if the Belt and Road boom suddenly took the whole nation by storm.

2. The BRI as China's Regional Strategy

(1) 64 Countries along the Belt and Road

The “Vision and Actions” refers to countries along the Belt and Road but there is no list of concrete names of those countries attached. At a later date, the documents by the Ministry of Commerce and others institutions⁵ indirectly indicated that the countries would include 64 countries⁶ which are reproduced in the Table 1. Their geographical scope stretches from countries in the whole Asia (Northeast Asia, Central Asia, Southeast Asia, South Asia, West Asia) and part of Middle East and Africa to the Central and Eastern European countries. 64 countries do not include China which is a country of origination of Silk Road or Western European countries which are the final destinations of the Silk Roads.

However, when we discuss the BRI, the Western European countries should be included in a broader term. There was no regional limitation set in the One Belt, One Road that President Xi advocated, and rather openness was emphasized instead. This is the important point to be noted.

Table 1 Countries along the Belt and Road and China's Investment Outstanding as of 2015

			(Unit: millions of USD)		
	Country	Accumulated Investment by 2015		Country	Accumulated Investment by 2015
1	Singapore	31,984.9	23	Egypt	663.2
2	Russian Federation	14,019.6	24	Hungary	571.1
3	Indonesia	8,125.1	25	Kuwait	543.6
4	Kazakhstan	5,095.5	26	Georgia	533.8
5	Lao PDR	4,841.7	27	Belarus	475.9
6	UAE	4,602.8	28	Yemen	453.3
7	Myanmar	4,258.7	29	Qatar	449.9
8	Pakistan	4,035.9	30	Afghanistan	419.9
9	India	3,770.5	31	Iraq	388.1
10	Mongolia	3,760.1	32	Romania	364.8
11	Cambodia	3,675.9	33	Poland	352.1
12	Thailand	3,440.1	34	Israel	317.2
13	Viet Nam	3,373.6	35	Nepal	291.9
14	Iran	2,949.2	36	Bulgaria	236.0
15	Saudi Arabia	2,434.4	37	Czech	224.3
16	Malaysia	2,231.4	38	Oman	200.8
17	Turkey	1,328.8	39	Bangladesh	188.4
18	Kyrgyzstan	1,070.6	40	Turkmenistan	133.0
19	Tajikistan	909.1	41	Slovakia	127.8
20	Uzbekistan	882.0	42	Timor-Leste	100.3
21	Sri Lanka	772.5	43	Brunei	73.5
22	Philippines	711.1	44	Ukraine	68.9
			45	Azerbaijan	63.7
			46	Serbia	49.8
			47	Jordan	32.6
			48	Lithuania	12.5
			49	Croatia	11.8
			50	Syria	11.0
			51	Bosnia and Hercegovina	7.8
			52	Armenia	7.5
			53	Albania	7.0
			54	Slovenia	5.0
			55	Bahrian	3.9
			56	Lebanon	3.8
			57	Estonia	3.5
			58	Maldives	2.4
			59	Macedonia	2.1
			60	Moldova	2.1
			61	Latvia	0.9
			62	Montenegro	0.3
			63	Palestine	0.0
			64	Butan	NA
				Total	115,678.9

(Source: Compiled by the author based on the official report on the Chinese Overseas Direct Investment Statistics)

⁵ The Ministry of Commerce and others, “Statistical bulletin of China's outward foreign direct investment 2015”. See also the following URL of Hong Kong Trade Development Council on the Belt and Road Initiative. <http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/The-Belt-and-Road-Initiative-Country-Profiles/obor/en/1/IX3CGF6L/1X0A36I0.htm>

⁶ According to the document by the Ministry of Commerce, they include 63 countries excluding Bhutan with which China has no diplomatic relations. Japan, Korea and North Korea are not included in the candidates from the beginning.

Looked from the Chinese side, these 64 countries naturally differ in their degree of importance and priority. The most important countries are China's neighbors and peripheral ones. Even if the BRI is a grand development design that extends all over the Eurasian Continent, its effect of development will not reach the remote places unless the improvement of infrastructure and economic development are well promoted in the neighboring countries. In this regard, much value is attached to a steady realization by step by step approach⁷. Of course the procedures for promotion of the BRI differ a bit between the land route and the marine route especially because the marine route sometimes takes a stepping stone approach. Even in that case, it is not to say they are making light of neighbor countries like ASEAN countries.

(2) Priority Countries on the Land Silk Road

The countries to which China gives special priority along the Silk Road Economic Belt or the Land Silk Road are Central Asian countries like Kazakhstan and Kyrgyz Republic with which China has a long border. Through these countries run the ancient Silk Road and steppe roads. Also important are Mongolia which has a border to the north of China and Russia which expands further northward.

Central Asian countries had been autonomous republics of the former Soviet Union since the early 20th century, deeply incorporated in its gigantic planned economic system. In the days when the former Soviet Union had harsh political conflicts with China, these countries played a role of military front-line base of the Soviet Union. Later, in 1991 the Soviet Union collapsed and the countries in Central Asia had a chance to escape from the control of planned economy of Moscow to become a transient country to a market economy. Resource-rich countries like Kazakhstan and Turkmenistan placed emphasis on China with a high growth as a new channel for sales of their natural resources, in an effort to lower their economic dependence on Russia. China greatly welcomed these moves, which resulted in a deepening economic relationship between China and Kazakhstan through construction of oil and gas pipelines in Kazakhstan connecting the east and the west.

From around 2012, the GDP growth rate of China started to level off while the oil price falling, Chinese President Xi Jinping proposed in Astana, the capital of Kazakhstan, to build the Silk Road Economic Belt. Partly because it faced with the stagnant resource prices, Kazakhstan welcomed China's call for developing infrastructure structures⁸. It can be pointed out that in this background there had been Chinese efforts to have bilateral and multilateral dialogues on

⁷ President Xi called for "steady advance of the Belt and Road Initiative "with nailing together spirit" at the Work Conference on the BRI Construction and Promotion held in August 2016.
http://jp.xinhuanet.com/2016-08/18/c_135611630.htm (in Japanese)

⁸ President Nazarbayev, who has been in the position since the nation's independence in 1991, revealed in November 2014 his new infrastructure development plan called "Bright Road." This is regarded as a plan responding to the BRI of China.

promoting security in this region as a whole⁹, which had helped mitigate their sense of caution to China on the side of the Central Asian countries. Although Russia still has a strong influence on the countries in the Central Asia, yet it is actually getting harder for Russia to oppose to China's BRI.

Regarding the Land Silk Road, in addition to the above countries, Pakistan has a strategic importance to China. Pakistan has established an "all-weather strategic cooperation partnership" with China¹⁰, and a special role has been given to the China-Pakistan economic corridor which is now under construction as a project connecting the Land Silk Road and Marine Silk Road. Further, regional powers like Iran and Turkey are also important as countries along the routes of the Belt and Road.

(3) Priority Countries along the Maritime Silk Road in China's Strategic Perspective

Among the countries along 21st-Century Maritime Silk Road or the Maritime Silk Road, strengthening of economic relationship with the neighboring ASEAN 10 countries is a priority. It is part of this priority why China places a great value to an early conclusion of Regional Comprehensive Economic Partnership (RCEP) among 16 countries in the Asia-Pacific region. In Indonesia where Chinese President Xi first introduced the Maritime Silk Road, Jakarta-Bandung railway project has become important like a matter of honor to President Xi¹¹.

The Maritime Silk Road Initiative is not a mere infrastructure construction project but it involves China's strong consciousness about energy security strategy. In order for China to make an economic development on a long-term basis, it is critically important to secure the route through which the fossil fuels in the Middle East can be transported safely and surely to China. China places much emphasis on the infrastructure building such as ports along the sea lanes as well as their security.

One of the strategic places on China's sea lanes is the Malacca Straits. Although the straits historically have been under heavy Anglo-American influence, China is trying to address the fact with a long-term view, namely, making it a strategic move to build close political and economic relations with Singapore, Malaysia and Indonesia. In the west of the Malacca Straits, China has constructed relatively good relationship with Myanmar, Bangladesh, Sri Lanka, and Pakistan, as if encircling India with which China has border disputes, and based on it China is

⁹ China has been actively participating in the Shanghai Cooperation Organization (SCO) and the Conference on Interaction and Confidence-Building Measures in Asia (CICA), and shows an active involvement in the regional security issues while advocating a "View on New Security in Asia" in 2014.

¹⁰ It means a strategic cooperative partnership that is not subject to changes in external environment. The partnership treaty was concluded when President Xi visited Pakistan in April 2015. Pakistan is the only country that China has such a partnership in its diplomatic relations.

¹¹ Japan participated in the bidding for Jakarta-Bandung railroad project, but China tried to politically regain lost ground and succeeded in the bidding. Also in Thailand, there was a railroad project planned by China, but the bidding thrust of China was not so severe as in the case in Indonesia.

positively promoting construction of port infrastructure in each of these countries. The similar moves have been seen for Oman and Djibouti.

The construction of port infrastructure for private use along the maritime Silk Road has been seen as China's strategic move toward future advance of military foray in these countries. Currently China is strengthening its navy forces while aggressively trying to transform the South China Sea into its inland sea. If things go as China wishes, China will be able to realize in the future the sea-lane security along the East China Sea to the South China Sea, even through the Indian Ocean to Persian Gulf without relying on the help of the United States. Looking from the side of the U.S., this is a very ambitious project, but it seems China is promoting it seriously.

China is also considering steps to address the energy security in case of an unexpected blockade of the Malacca Straits. Two initiatives for the China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor suggest it. A construction project of canal that runs across the territory of Thailand in Malay Peninsula had once attracted much attention.

(4) Six Economic Corridors

China gives a strategic importance for its BRI to six economic corridors as shown in Chart 2. Namely they are (1) New Eurasia Land-bridge Economic Corridor, (2) China-Mongol-Russia Economic Corridor, (3) China-Central Asia-West Asia Economic Corridor, (4) China-Indochina Economic Corridor, (5) China-Pakistan Economic Corridor, and (6) Bangladesh-China-India-Myanmar Economic Corridor. In each of these corridors plural projects have been started¹². These corridors are laid to run through the central part of the Eurasian Continent as if covering all of it. It also seems to show that China intends to penetrate into the regions which once used to be under the influence of the former Soviet Union.

Chinese way of advances to the waters of East China Sea and South China Sea has been called as "Salami-slice tactics" that gradually break down the scopes under the influence of neighbor countries, and with the same tactics in the Eurasian Continent China is again going to gradually rewrite the influence scope of the former Soviet Union hegemony. This can be viewed as a Chinese global vision that runs under the Belt and Road strategy.

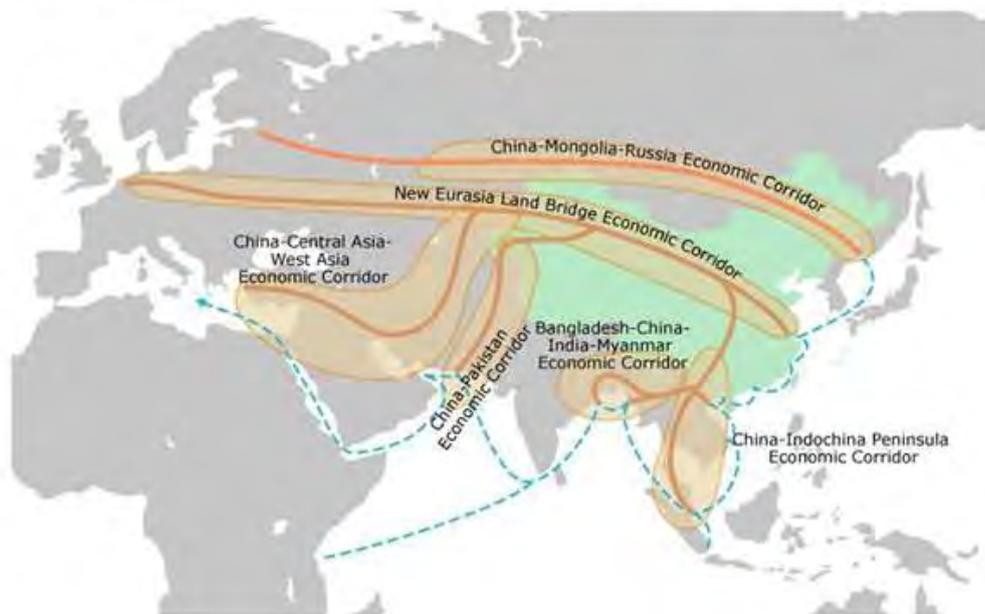
No doubt, some plans of these economic corridors include the cases that have been inadequately tested for their economy and profitability with their political consideration rather going ahead and the possibility cannot be denied that such corridors will not be constructed in the end. However, it seems China has taken priority in pursuing the grand strategy while taking into account such possibilities too. Here we can find Chinese half-hidden intention of

¹² As for the progress of construction projects in each economic corridor, please refer, for example, to P4, Chart 2 in the report on "Three Years of Chinese Belt and Road Initiative" by Daiwa Institute of Research (available only in Japanese) https://www.dir.co.jp/research/report/overseas/emg/20160926_011277.html (in Japanese)

competition against the United States.

Chart 1

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa



(Source: Hong Kong Trade Development Council)

(5) The Belt and the Road that Encompasses the Whole World

The Chinese BRI emphasizes its openness, that is, it is an initiative opened to all countries worldwide. It represents an idea that all countries that wish to strengthen mutual economic ties with China to co-prosper are regarded as friends that agree with the BRI. It seems that China considers it a national interest to spread the BRI and to encompass the world with friendly relationship ruling based on the BRI.

For example, the joint statement on establishing a strategic partnership signed by China and Uruguay of South America in October 2016 referred to the BRI¹³, and China considers that Uruguay has become a “friend circle” member country of the BRI with the memorandum. Among the Western countries, Greece, Germany and Switzerland have expressed their support to the BRI. At the Greek ports and harbors, China has already acquired high presence. Some of the international institutions have come to approve this initiative.

According to a release of the Chinese government, as of the end of 2016, i.e., in a little more than three years since the proposal of President Xi, it is reported that more than 100 countries

¹³ Refer to the following URL of Hong Kong Trade Development Council.
<http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/China-Uruguay-Joint-Statement-on-Establishing-a-Strategic-Partnership/obor/en/1/1X00000/1X0A7WA2.htm>

and international organizations have responded positively or expressed their support, of which 40 countries and international organizations have signed the cooperation treaty on coordinated construction¹⁴. These moves of supports to the BRI by countries and international society merely represent a kind of diplomatic protocol, yet the fact such moves are actually going on should be recognized.

3. Economic and Diplomatic Highlights that Characterize the Belt and Road Initiative

(1) Belt and Road Initiative Redefined as China's External Opening-up Policy

In the beginning, the BRI had shown a rather strong nature of domestic projects for infrastructure building. When it was incorporated into economic policy agendas at the Central Economic Work Conference held in December 2014, it was regarded as the third important regional development strategy together with the “Coordinated Development of the Beijing-Tianjin-Hubei Region” and the “Yangtze River Economic Belt,” and in response to this understanding, the governments of Provinces, Cities, Autonomous regions which were concerned rushed to make lists of projects in order to acquire new budgetary allocations¹⁵. Amidst the heightening fervor for infrastructure construction, 19 projects for domestic infrastructure construction were authorized by the State Development Reform Commission in September 2015. In addition, the State Council published in December 2015 a document titled “Opinions on Some Policy Measures Concerning Development and Opening-up of the Important Areas around Chinese Borders¹⁶”, coming up with the policies on the infrastructure building on the Chinese side of the border regions.

After these developments, the BRI was incorporated in the chapter titled “New Framework for All-round Opening-up” in the “13th Five-Year Plan” Platform which was approved in March 2016. With this decision, the nature of the BRI as a regional development strategy was weakened in China's mid-term planning and it was reclassified and reorganized as a strategy toward deepening of the Reform and Opening-up policy.

① The BRI in the Flow of External Opening-up Policy

What will the BRI look like if it is positioned in the longer perspective of the Reform and Opening-up policy since 1978?

The Reform and Opening-up policy of China started with the introduction of foreign

¹⁴ <http://j.people.com.cn/n3/2017/0118/c94474-9168609.html> (in Japanese)

¹⁵ While fervor on the infrastructure building through the BRI got stronger in the Chinese local districts, there was a phenomenon that the domestic expectations on AIIB got cooled down in contrast with a rising expectation for the Silk Road Fund.

¹⁶ Original Chinese reads 国务院关于支持沿边重点地区开发开放若干政策措施的意见. This document was released as a policy document to promote infrastructure development along the Chinese border regions. http://www.gov.cn/zhengce/content/2016-01/07/content_10561.htm (in Chinese)

capital¹⁷ from developed countries. This strategy brought to China an enormous amount of foreign investment and advanced technology, leading to the current economic development. However, entering into the 2000s, it caused trade frictions with the United States while China suffering from a balance of payments imbalance. What was then formulated was an incentive policy for external investment called “Go Global” (走出去 Zou Chu Qu). However, although some specific progress had been seen with this policy in some areas like overseas oil exploration by major state owned energy companies; overall recycling of funds to overseas did not go well while the surpluses on the current account and capital account had continued to increase. The BRI is seen as a new proposition made based on such developments.

In the future the BRI is expected to give a new orientation to the overseas investment of China. Specifically this initiative encourages investment in the whole area of Asia, Middle East and Africa and Central and Eastern Europe. The BRI also serves as a guideline for overseas investment of the State Owned construction companies. Currently not only the Chinese Ministry of Commerce, the main engine, but also Hong Kong Trade Development Council back up this policy and put a great deal of effort to provide information on local investment environment of the countries along the routes¹⁸.

② The BRI as an Effort for International Industrial Cooperation

The years from 2013 to 2014 when the BRI was advocated overlap the period when China aggressively advertised its economic situation as “New Normal¹⁹.” At that time a rapid economic growth period came to an end in China, raising an issue of how to deal with excessively accumulated production capacity and inventories. What emerged then was the idea to transfer the excessive equipment and inventories to the neighbor countries. It was called an international “industrial cooperation” and if it succeeded, it would not only underpin the Chinese economy but also it would lead to the economic development of the surrounding countries and regions, while at the same time it would save the time for making plans to reform state owned companies. The policy was regarded as a kill-two-birds-with-one-stone or more desirable solution. This international industrial cooperation policy was advanced at the same period as the BRI and often connected with each other.

However, in those days the realization of the idea of industrial cooperation was not so easy as was intended. After all, some part of steels and other products was quietly circulated to the

¹⁷ It is called “Yin Jin Lai (引進來)”, and used as an antonym of “Zou Chu Qu.”

¹⁸ Refer to the following URL for the Hong Kong Trade Development Council.

<http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/The-Belt-and-Road-Initiative-Country-Profiles/obor/en/1/1X3CGF6L/1X0A3610.htm>

¹⁹ The word of “new normal” appeared in a speech of President Xi during his visit to Hunan Province in May 2014. Since then, it was advertised and widely recognized as a key word that shows economic situation of the Chinese economy.

international market so that it would not be labeled as dumping, while other parts were finally destined to the U.S. through Viet Nam, Mexico, etc.

The concept of international industrial cooperation was finally connected in 2016 with the “supply side structural reforms,” and at the same time it was associated with the BRI. At present, it is used as a positive meaning to build supply chains between China and surrounding countries, or international division of labor, or build international value chains. This may imply the deepening of China’s opening-up policy.

(2) Positioning of the BRI in China’s Diplomatic Policy

(i) The BRI that appeared in a review process of Great Power Diplomacy²⁰ and Neighborhood Diplomacy²¹

Until around 2007-2009, years before and after the Beijing Olympic Games, the Chinese government had maintained diplomatic strategy based on a principle of “waiting for opportunity with talent and ability hidden while doing what should be done” that Deng Xiaoping advocated, but later on four letters meaning firmly and positively were added to the former²², by which the Chinese diplomacy suddenly took a turn to more aggressive direction.

When Mr. Xi Jinping took the president office in 2013, he reviewed, under the slogan of “Chinese Dream”, China’s basic diplomatic policy which centered on great power diplomacy and neighborhood diplomacy. In this process, the BRI acquired a special status when President Xi referred to the BRI at a Central Conference on Work relating to Foreign Affairs (or Foreign Affairs Work Conference, FAWC) held in November 2014 for the first time in 8 years.

(ii) The BRI as a National Security Strategy

The BRI seems to have been carefully discussed by China’s national strategical think tanks under the direction of Central Committee of the Communist Party in connection with the fundamental development strategy of the state. Russia, which succeeded the ethics of the former Soviet Union that once threatened the security of China or still probably sees itself as a leader of the communism areas, has headed for economic decline in the past several years due to the falling resource prices and economic sanctions taken by the western countries. In

²⁰ This means a diplomacy that aims at playing a role of a responsible major country in the international society. It especially takes into consideration Russia, the U.S., India and the EU. Its position in the comprehensive diplomatic policy line was confirmed at the Central Foreign Affairs Work Conference (FAWC) held in November 2014.

²¹ It means a diplomacy dealing with neighborhood and surrounding countries. Incidentally a work forum on Chinese diplomacy toward the Periphery was held in October 2013, one year prior to the FAWC, where President Xi emphasized the ideals of amity, sincerity, mutual benefit and inclusiveness, also clearly referring to the BRI.

²² “韜光養晦、有所作為” means a restrictive foreign policy under which power is saved by concealing one’s ability and does a little bit what should be done. On the other hand, “堅持韜光養晦、積極有所作為” means the policy of saving power by concealing ability is firmly kept but more aggressive diplomacy will be taken.

such a situation, leaders in Central Asia and Caucasus and also in Eastern Europe have been saddled with worries about their future economic development and security. On the other hand, in the eastern direction over the Pacific Ocean there was the United States which had suffered a severe recession due to the financial crisis. Since the end of the 2000s the U.S. began to take precautions against the emergence of China as a hegemon and the Obama administration came up with “Pivot to Asia” strategy²³ and also promoted Trans-Pacific Partnership Treaty (TPP). For China these were a possible threat to its own development. China approached the U.S., with “new type of great power relations” and tried to force the U.S. to recognize the emergence of China to pursue its own energy security, however, it was not always very successful.

In such a changing international environment, China came up with the BRI as a strategy to expand its influence to the West, while extending a helping hand of economic cooperation to the East Asian countries. This strategy eyes a greater future role for navies of the People’s Liberation Army with keeping in mind the Sea Lane security on the Maritime Silk Road. Thus the BRI not only aims at a peaceful economic development but also has an aspect of long-term strategy looking ahead to a shift of hegemony. This long-term strategy directed at a hegemony shift is the one that cannot be promoted without the top-down design by President Xi who takes control of the Army.

(iii) Implied Real Intention of the BRI under the Ideal of Economic Cooperation Policy

On the surface the BRI was proposed just as a pure economic policy. Its ideals set out coordinated development and co-prosperity, and include such fine phrases as peace, cooperation, openness, inclusiveness, mutual learning, mutual benefit, mutual trust, strengthened all-round exchanges, goodwill and friendliness. When the leaders participating in the APEC Summit Meeting were spoken to with such words and persuaded to accept the ideas, they would have found difficult to oppose, especially the leaders of developing countries would. Here is the adeptness of Chinese diplomacy.

By expressing their assent to this initiative, the countries along the Belt and Road and other countries concerned expect to obtain investment and technology from China in future when they make efforts to improve their infrastructure such as railways, highways, ports and harbors, airports and telecommunication networks. They also expect finance functions of AIIB and Silk Road Fund as the source of funds. It can be said that China has already been faced with a moral obligation and responsibility to meet the expectations of these countries.

On the other hand, China calls for a construction of a “community of shared interest,

²³ A strategy that tries to expand and strengthen the involvement of the U.S. in the Asia and Pacific region

destiny and responsibility.”²⁴ Its real intention is apparent here that through strengthened economic relations with the countries along the Belt and Road and neighborhood countries, it wishes to form in the long run a sphere of influence and activity zone over these countries. Such intentions are impossible to ignore for its neighborhood countries including Japan, not to say for the geographically apart western countries. For, there is a non-negligible possibility that China makes or changes the operation rules of such a “community of shared interests, destiny, and responsibility” to its own advantage.

(iv) Effort to Compete against the TPP promoted by the U.S.

The openness of the BRI has an aspect of a competition to the TPP that has been promoted by the United States. Originally the TPP aimed at making common rules that are opened to the domestic markets in individual countries under the ideal of globalism and free trade. However, as it had set out an idea of high level of openness, it had taken an aspect of making the hurdle for participation somewhat higher. From the Chinese side, it was likely that the TPP looked to China too exclusive²⁵. In addition, this policy was set with the “Pivot to Asia” Strategy which aimed at reducing the clout of China, which was impossible for China to approve. It looks like China came up with the BRI as a global countermeasure plan to the TPP in light of the exclusiveness of the latter. The ideals of the BRI such as openness and inclusiveness are meant for encouraging emerging countries to participate in it. In fact, the prerequisites for membership to the BRI of emerging countries have been kept quite low at least at the entrance.

4. The Belt and Road and AIIB Viewed from a Perspective of Japan

(1) Meaning of the BRI for Japan and Bad Timing of the Emergence of AIIB for Japan

Back in November 2014 when the APEC Summit meeting was held in Beijing after Mr. Xi Jinping assumed a post of Chinese president, Japan and China were in a very critical relationship due to the troubles over the Senkaku Islands. At the first bilateral summit meeting set on that occasion between Prime Minister Shinzo Abe and President Xi Jinping, the Chinese side avoided to refer to the BRI and an idea of establishing AIIB²⁶. It may have been due to the awareness of its domestic public opinion. At the second summit meeting held in Bandung in April 2015, the Chinese side referred to them, but the Japanese side reserved the judgment on for or against on the ground of weak governance structure of AIIB²⁷.

²⁴ In the BRI, together with the expression of a “community of shared destiny”, words of “friendship zone” are used to produce a soft image.

²⁵ China promoted the preparation to join the TPP by establishing a Pilot Free Trade Zone at 11 places including Shanghai, but the reform of state-owned enterprises stood as a high hurdle to clear.

²⁶ Ministry of Foreign Affairs HP http://www.mofa.go.jp/mofaj/a_o/c_m1/cn/page3_000999.html (in Japanese)

²⁷ Ministry of Foreign Affairs HP http://www.mofa.go.jp/mofaj/a_o/c_m1/cn/page4_001136.html (in Japanese)

(2) Image Gap on Silk Road Initiative and AIIB for Japanese people

When talking about the Silk Road, it would remind the Japanese people above a certain age of images of the streets in Chang'an (current Xian) or the western region of China that stretches from there, or the incidents like introduction of Buddhism from China²⁸. And in Japan there once existed a "Silk Road Diplomacy" that was advocated by the former Prime Minister Hashimoto. In contrast, countries in the westward direction from China across the Old Silk Road think that they will be able to gain actual benefits from the BRI if they can deepen economic exchange with China which has emerged as a great economic power. In fact this initiative is an appeal directed at European countries and almost is the same with AIIB. European countries have neither security concerns nor strained relationships with China. In that sense they are in a different position from the U.S. and Japan.

Any way the BRI or modern edition of Silk Road did not hit many Japanese in their mind, and they find it difficult to connect the BRI with them. Some Japanese who have strong sympathy with China may think that Japan should support the initiative and also AIIB, but there are opinions that Japan should refrain from making cooperation recalling China's heavy-handed governance in the Uyghur Autonomous Region and others or its tough stance on East China and South China seas.

(3) China's Enhanced Approach to Japan

In such a situation, as the withdrawal of the U.S. from the TPP became definite in early 2017, China is trying harder than ever to expand its influence in Asia. Accordingly China is maneuvering to persuade Japan to subscribe in AIIB by explaining the significance of the BRI at various opportunities of exchange while trying to get Japan's understanding on the China's Asian strategies. However, the problem is not simple because Japan is an Asian country and at the same time America's allied country. Japan will have to think hard about its own choice while taking into consideration the U.S.-China relationship.

5. Conclusion

(1) A Renewed Attention on the BRI in 2017

China is promoting preparations to hold "Belt and Road Forum for International Cooperation" (hereinafter referred to as the Forum). In August 2016 when the TPP negotiations began to drift amid the US presidential campaign, President Xi made a speech at the Work Conference on the BRI Construction and Promotion²⁹ and decided to hold this Forum. Further in January 2017,

²⁸ Feature programs on the Silk Road that the NHK broadcast in the 1980s had a great influence on the formation of an image of the Silk Road among the Japanese.

²⁹ Xinhua report: Promote the construction of the Belt and Road with nailing together spirit –Learning and bringing home the important speech made by President Xi Jinping at the Work Conference on the BRI Construction and

when he for the first time participated in the World Economic Forum held in Davos, Switzerland, President Xi gave a speech to support anti-protectionism in defense of globalism, and expressed to invite the every county in the world to the Forum, showing an extraordinary determination and enthusiasm on it.

With the National Communist Party Congress expected in autumn 2017, the first half of this year has been a very important period for the Xi Jinping administration. If he can make it through the congress, President Xi will be able to make a smooth start for the second five-year term. By maneuvering to hold at this time a successful Forum on the Belt and Road Initiative he himself proposed, President Xi is trying to sell this development strategy to the world as well as to his own nation whereby enhancing both domestic and international presence. Since his accession to the top of the government, he seems to have been aiming at strengthening his government base by carrying the international opinion with himself while showing his ideals of openness and inclusiveness to the United States that has planned to contain China.

(2) Co-existence with the BRI

China's BRI is hard to understand for Japan. It is such a grand and strategic plan and gives an image it is a plan far remote from Japan. In other words, the BRI is an initiative that is not contained in the framework of simple economic policy. Its entire picture cannot be captured unless we also take into consideration China's global strategy and security policy aspect. In addition, the main region it covers stretches to the west of China, a region that used to consist of former Soviet Union. It is an unfamiliar region to Japan and therefore it will be difficult to understand its importance unless one is an expert of diplomatic strategy and energy-related resources.

At the same time, the Belt and Road initiative has been steadily deepening in terms of economic policy. There is already a regular operation of direct freight trains that connect Yiwu City in Zhejiang or Chongqing City to Spain and Germany through Xinjiang. Chinese direct investment in the countries along the Belt and Road is on an increase, and if the traffic infrastructure that connects the East with the West on land, it will benefit the Japanese companies too. In the future, Japanese companies may be able to make a successful bid for infrastructure construction projects. Thus the BRI is not completely unrelated to the Japanese economy. Therefore, it will be meaningful to see and understand objectively what China is going to do with the BRI and what is happening actually. At the same time, the BRI is a

Promotion. http://jp.xinhuanet.com/2016-08/18/c_135611630.htm (in Japanese)

long-term strategy that involves China's far sighted policy over the next one hundred years. We Japanese also need to watch this strategy with the same long-term perspective as China has.

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