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**The Belt and Road Initiative — Chinese Plan of Global Economic
Governance**

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Resumo

Após a Segunda Guerra Mundial, as até então potências caíram e os Estados Unidos da América tornaram-se na única superpotência à escala mundial. Baseando-se nas suas opiniões e considerações acerca da situação económica internacional daquele tempo, os Estados Unidos promoveram a fundação da ONU, FMI, BM, GATT, OMC, entre outras organizações. Neste contexto, as regras e sistemas económico-políticos centrados nos interesses do Ocidente e dos Estados Unidos foram sendo gradualmente estabelecidos. É inegável que este sistema de governação desempenhou um certo papel, contribuindo para a paz geral, estabilidade e desenvolvimento sustentável global no pós-Segunda Guerra Mundial. Contudo, depois de mais de 60 anos de desenvolvimento e evolução, especialmente após o impacto do fim da Guerra Fria, o sistema de governação global formado no final da Segunda Guerra Mundial demonstra ser cada vez mais difícil de se adaptar ao desenvolvimento do mundo, tornando-se até, gradualmente, num estorvo para o desenvolvimento global. De certa maneira, a crise financeira internacional desencadeada pelos Estados Unidos em 2008 pode ser vista como o eclodir das contradições causadas pela antiga ordem económica e política. Passaram já mais de dez anos desde da explosão da crise económica financeira, mas o abalo da economia global causado pela mesma ainda não desvaneceu completamente. Atualmente, o governo económico global enfrenta muitas dificuldades. Por um lado, os Estados Unidos retiraram-se do Acordo de Paris e do TPP, promovido pela política de prioridades norte-americana. A União Europeia encontra-se repleta de eventos a nível interno, tais como o BREXIT e a crise dos refugiados. Neste contexto, a recuperação da economia global está cheia de incertezas. Por outro lado, o crescimento económico de países emergentes e em desenvolvimento é óbvio, tornando-se gradualmente num novo foco de liderança do desenvolvimento económico global. Neste processo, a China também se tornou numa força ativa bastante importante na globalização económica e desempenha um papel cada vez mais importante no governo económico global. Neste contexto, a construção do BRI promoveu, de forma efetiva, o desenvolvimento económico da China e dos países ao longo do caminho. O princípio da “consulta extensiva, contribuição conjunta e benefícios partilhados” defendido pelo BRI está a mudar, profundamente, a ordem económica global. Sendo um esquema chinês de administração económica global, tornou-se numa medida inovadora para que a China participe no governo económico global.

Palavras-Chave: Globalização, Governança Económica Global, China, Iniciativa do Cinturão e Rota.

Abstract

After World War II, traditional powers declined, the United States became the only superpower in the world. Based on its judgments and considerations of the international economic situation at that time, the United States promoted the establishment of the UN, IMF, WB, GATT, WTO and other organizations. In this context, international economic and political rules and systems centering on the interests of the West and the United States have been gradually established. It is undeniable that this governance system has played a certain role, which has contributed greatly to the overall peace, stability and sustainable development of the world after World War II. However, after more than 60 years of development and evolution, especially after the impact of the end of the cold war, the global governance system formed at the end of World War II is increasingly difficult to adapt to the development of the world, and even gradually become the shackles of world development. In a sense, the international financial crisis triggered by the United States in 2008 can also be regarded as the outbreak of the contradictions caused by the old international economic and political order. It has been more than ten years since the outbreak of the international financial crisis, but the deep shock of the global economy caused by it has not yet completely faded.

At present, global economic governance faces many difficulties. On the one hand, the United States has withdrawn from the Paris Agreement and the TPP, promoted the US priority policy. The EU has also been riddled with many internal events such as the BREXIT and the refugee crisis. In this context, the global economic recovery is full of uncertainties. On the other hand, the economic growth of emerging countries and developing countries is obvious, and gradually become a new focus for leading the global economic development. In the process, China has also become an important active force in economic globalization and plays an increasingly important role in global economic governance. In this context, the construction of the BRI has effectively promoted the economic development of China and the countries along the route. The principle of “extensive consultation, joint contribution and Shared benefits” advocated by the BRI is profoundly changing the global economic order. As a Chinese scheme of global economic governance, it has become an innovative measure for China to participate in global economic governance.

Key Words: Globalization, Global Economic Governance, China, the Belt and Road Initiative

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Acronyms and Abbreviations

- AIIB — Asian Infrastructure Investment Bank
- APEC — Asia-Pacific Economic Region
- ASEM — Asia-Europe meeting
- B&R Initiative — The Belt and Road Initiative
- CPTPP — Comprehensive and Progress Trans-Pacific Partnership Agreement
- EU — European Union
- G20 — Group of Twenty
- G7 — Group of Seven
- G8 — Group of Eight
- GATT — General Agreement on Tariffs and Trade
- GDP — Gross Domestic Product
- EMDs — Emerging Market and Developing Countries
- UNDP — United Nations Development Programme
- CCIEE — The mission of the China Centre for International Economic Exchanges
- HIPC — Heavily Indebted Poor Countries
- IBRD — International Bank for Reconstruction and Development
- IDA — International Development Association
- IMF — International Monetary Fund
- NAFTA — North American Free Trade Agreement
- NAFTA — North American Free Trade Agreement
- PIIE — Peterson Institute for International Economics
- PPP — Public-Private Partnership
- TPP — Trans-Pacific Partnership Agreement
- TTIP — Transatlantic Trade and Investment Partnership
- TTIP — Transatlantic Trade and Investment Partnership
- UN — United Nations
- UNESCO — United Nations Education Scientific and Cultural Organization
- WB — World Bank
- WTO — World Trade Organization

Chapter I Introduction

1.1 Research Background and Purpose

The core system of global economic governance is based on the framework of the IMB, the WB and the WTO established by the Bretton Woods system. This is the troika of the world economy which we often talked about. However, the Bretton Woods system collapsed after many dollar and oil crises. After several economic crises, the G7 was established and expanded to the G8 and began to dominate the development of economic globalization. It is undeniable that the traditional global economic governance system has established the international economic order and guided the international economic development into a golden period of growth. But, it also enlarges the gap between rich and poor countries. Under the background of centering on the interests of big countries, the interests and needs of small countries have been neglected. Therefore, after the 2008 financial crisis, the G20 has gradually become the new core mechanism of global economic governance and the most important cooperation platform of global economic governance because of its universality and representativeness.

At present, the global economic situation is quietly undergoing new changes: First, the region with the most active economic has shifted from Europe and the United States to the Asia-Pacific region. According to IMF statistics, the Asia-Pacific region accounting for more than 60 percent of world growth and projected to grow at 5.6 percent in 2018 and 5.4 percent in 2019 (IMF, 2018a: 1). With the improvement of living standards and social infrastructure, the consumption potential of the Asia-Pacific region has been further developed, the economic and trade exchanges have also become more frequent. Second, the development engine has shifted from developed countries to developing countries. Emerging economies continue to grow at an extremely rapid rate. The share of developing countries in global GDP has risen year by year, and their contribution to the global economy has surpassed that of major developed countries. Third, with the deepening of globalization, its main purpose tends to focus on economic development and infrastructure construction, and pay more attention to common development. At the same time, countries have relaxed market access compared with the past, and their development models are shifting from a single free market to a diversified common market.

In this context, China has become the new engine of global economic development. Since China joined the WTO in 2001, China is rapidly integrating into the global production, trade,

and investment systems, and steadily improving the domestic and international economic environment. In recent years, China has contributed more than 30% to global economic growth (World Bank, 2019a). China's GDP broke through 80 trillion yuan in 2017 and 90 trillion yuan in 2018 (National Bureau of Statistics of China, 2019). As the second largest economy in the world, China has become the mainstay of the global economy.

However, with the deepening of economic globalization, the global economic governance system has not adapted to this process. Therefore, there is a sharp contradiction between the new reality of economic globalization and the existing mechanism of global economic governance. There is a power imbalance between the leading countries in the global economic development and the leading countries in global economic governance. The global economic governance mechanism is still carried out within the original framework, resulting in inefficiency and even failure of global economic governance. It is an inescapable fact that the international community must participate in the comprehensive improvement and reform of relevant global economic governance mechanisms. However, it is obviously unrealistic to completely overthrow the existing global economic governance mechanism. Reforming in development and perfecting in practice is the only feasible path for the current global economic governance mechanism.

Against this background, China has put forward the BRI. As an important complement to the global economic governance mechanism, this initiative not only promotes the economic growth of China and the countries along the route, but also provides new ideas and solutions for global sustainable growth. The BRI is based on China's careful consideration of the current international political economy. It is the supplement and development of China's regulation of global economic governance under the new era, and brings new hope to solve the global economic problems. On this basis, what problems exist in the global economic governance system? What are the causes of these problems? How will BRI contribute to the existing governance system? These are the issues that this dissertation focuses on.

1.2 Research Significance

The 2008 financial crisis has caused people to question globalization. In order to reduce the damage caused by the crisis, many countries have implemented tariffs, anti-dumping investigations and other forms of protectionist policies aimed at curbing the risks of the financial system. The anti-globalization trend and movement have grown. Unlike multidimensional globalization, which involves many fields, anti-globalization mostly

appears in the international economic field. Its main manifestation is the decline of trade and investment between countries. Anti-globalization negates the flow of resources across the globe and the efficient distribution of resources by globalization. In recent years, the struggle between globalization and anti-globalization has intensified. For example, the “Brexit” event driven by anti-immigrant sentiment in Europe; And US President Trump proposed that “from March 1, 2018, the import tariff on steel will be raised to 25%, and the import tariff on aluminum will be increased to 10%” (Long, 2018). These examples are typical trade protectionist policies that protect domestic industries. Under the leadership of Trump, the unilateralism and trade protection policies actively promoted by the US government have greatly undermined the existing international economic order, and triggered an intensified trade war. Some scholars even think that it can be called the “Trade Cold War” (Beaulieu, 2018: 3).

In the face of such anti-globalization behavior, China's attitude is positive and firm. Because the anti-globalization nature of the trade protection war initiated by the U.S. government is not conducive to the development of the world economy, but also harmful to the interests of the United States itself. We can take the recent hot Sino-US trade war as an example. As a big exporter, China's losses in this trade war are undoubtedly enormous. However, the high tariffs imposed by the United States on China have not only harmed China, but also had a huge negative impact on American producers. A study by Goldman Sachs estimates that only 20% of imports proposed by the United States to impose tariffs come from China. And many of these products are intermediate inputs, which will increase the cost of doing business in the United States. This is bound to hit American businesses and have a negative impact on American workers (Economist, 2018). Obviously, the outcome of the current trade war is not like what Trump (2017) said in his inaugural speech: Protectionism will bring great prosperity and strength to the United States and make it great again. From this we can see that counter-globalization is a wrong practice that harms both interests at the same time, but this erroneous trend of thought has not shaken the trend of economic globalization. Historical experience has repeatedly shown that every major crisis and historical event may become an opportunity for the adjustment of the global economic order.

With the deepening of globalization, China's B&R Initiative is becoming a reality step by step. Chinese-style globalization and global governance are gradually attracting more and more attention from the international community. The BRI is one of the most important perspectives for studying the status quo and trends of Chinese-style globalism. The

significance of this research is for theoretically clarify the role and contribution of the BRI to global economic governance. The BRI reflects the innovation of regional cooperation, development mode and value concept from various aspects, such as putting forward ideas, forming the basic framework, project planning, launching, entering into implementation, and achieving results. As a global economic governance scheme put forward by China in the new era, the study of BRI can be seen as an exploration of the existing reform path of global economic governance, and an effort to realize the common interests of the international community.

1.3 Research Structure

This dissertation first clarifies that globalization is a process that integrates economic globalization, political multi-polarization and cultural pluralism, and acts on many subjects and various fields. Global governance is an inevitable outcome of globalization. Global economic governance system is the foundation and core of global governance, which plays an important role in solving many problems arising from globalization.

Chapter I discusses the connotation, origin and development of global economic governance, and further analyzes the existing problems in global economic governance, including Democratic deficit, Responsibility deficit and Utility deficit. On this basis, the internal causes of these problems are further studied.

Chapter II focuses on the origin, development, and results of the BRI, which is a discussion and summary of the information about the BRI. This chapter also elaborates the concept and main cooperation framework of BRI.

Chapter III mainly analyzes the role of BRI in the existing governance mechanism and its main contribution to global economic governance, including promoting economic growth, helping developing countries to break development bottlenecks, improving economic system and promoting diversified management.

1.4 Research Method

Literature Analysis: Literature analysis is a research method that collects, sorts out and analyzes relevant research literatures and extracts new data, new facts and new viewpoints from them. This dissertation mainly collects relevant literatures on globalization, global economic governance and the BRI. On this basis, this paper analyzes and studies the BRI and

global economic governance, and sorts out the background, development and impact of the “Belt and Road” and its impact on global economic governance.

Historical analysis: Historical analysis is a method of comparing and analyzing a thing in the depth direction of time and its own changes. This dissertation uses historical analysis to analyze the development process of the BRI, economic globalization, global economic governance, and the problems existing in the current global economic governance system. Furthermore, it analyzes the historical background of the BRI, its positive significance and its contribution to the reform of global economic governance system and concepts.

1.5 Definition of Main Concepts

1.5.1 Economic Globalization

Economic globalization represents the process of deep integration of capital, information and technology flowing around the world after economic activities transcend national boundaries. As one of the prominent features of today's world, economic globalization affects all aspects of modern life and is an irresistible historical trend. According to Jin (2017: 1-2), up to now, the world has experienced three waves of economic globalization. The first is from the 19th century to the outbreak of the Second World War (i.e. Economic globalization 1.0), and the second is after the middle of the 20th century (i.e. Economic globalization 2.0). At present, the world is at the dawn of the third wave of Globalization (i.e, Economic Globalization 3.0). Every wave of economic globalization is accompanied by advances in modern communications and transportation technologies. It is driven by national government policies and promotes the development of poorer countries and improves the living standards of their people through domestic and international economic openness. To some extent, the two world wars and the three industrial revolutions eliminated some borders and increased cross-border trade. In the past few decades, economic globalization has maintained a strong momentum of development. The concept of economic globalization is also becoming more and more popular. The IMF (1997) defined economic globalization as: “The growing economic interdependence of countries worldwide through increasing volume and variety of cross-border transactions in goods and services, freer international capital flows, and more rapid and widespread diffusion of technology.” In 2002, the World Bank defines economic globalization as: “The Freedom and ability of individuals and firms to initiate voluntary economic transactions with residents of other countries” (Milanovic, 2002: 3). The OECD

believes that: Economic globalization is a process of closer economic integration of global markets, financial, product and labour (Gurría, 2006: 1).

From this, we can understand economic globalization in three aspects: First, the economies of each country are interdependent and their economic ties are constantly strengthening; Second, the economic mechanisms of countries are gradually becoming unified; Third, as various international or regional organizations play an increasingly important role in coordinating and restricting the world economy, the coordination mechanism of the international economic society has been strengthened. At present, technology and public policy are the two main driving factors behind the current wave of economic globalization. Advances in modern transportation technology and a well-established transportation network have reduced transportation and transaction costs and brought unprecedented liquidity to economic factors such as commodities, services and capital. Advances in information technology and cross-border information flows have increased people's awareness of economic trends and investment opportunities. Advances in technologies such as digitization have simplified and accelerated the transfer of financial assets between countries. Public policy also makes a major contribution to economic globalization. Through fiscal policies and trade agreements, governments have integrated the global economic system and increased opportunities for national industrialization and modernization.

However, we cannot ignore the series of problems that the “dual nature” of economic globalization has brought to the global economy. Economic globalization is not inherently good. The realization of the benefits of globalization depends on a series of realistic conditions. In other words, under different realistic conditions, economic globalization will show very different conditions and consequences. Economic globalization is a double-edged sword. For many countries, it is not only an opportunity, but also a challenge. In particular, some countries with relatively weak political, economic and technological strength are facing severe tests in the process of globalization. Since entering the 21st century, it is undeniable that economic globalization has brought not only prosperity, but also difficulties and risks.

1.5.2 Global Economic Governance

The world of the 21st century is an increasingly globalized world. More and more international public problems need to be tackled by all actors in the world in a coordinated manner. Therefore, global economic governance is becoming a “hot word” in current world

affairs and a key area of academic research. The definition of “governance” in the New Webster's International Dictionary refers to: “act, manner, office, or power of governing; government”, “state of being governed”, or “method of government or regulation” (Weiss, 2000: 795-814). The World Bank (1992) defines governance as “The manner in which power is exercised in the management of a country's economic and social resources for development.” “Global governance” is the application of the concept of “governance” in the global field. They are consistent in basic rules and key connotations. People always understand “global governance” by understanding the concept of “governance”, the Commission on Global Governance (1995: 2) defines governance as “the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is the continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken.”

Global economic governance is the core and key of global governance. According to the definition of former UN Secretary-General Ban Ki-moon in the report of the General Assembly in 2011, “global economic governance” refers to the role of multilateral institutions and processes in shaping global economic policies, rules and regulations”(UN, 2011: 2). In other words, international economic governance is a process of communication. The different subjects of the international community manage global economic affairs through consultation, cooperation and consensus-building, thus maintaining a stable international political and economic order.

Since the outbreak of the international financial crisis in 2008, global economic governance has become the most prominent issue in the international community. Economic globalization has made the relationship between countries increasingly close. The economic situation and policies of a country have increasingly affected the economic behavior of enterprises, individuals and other countries through the domino effect. Global economic governance focuses on deepening economic globalization and managing global economic activities such as expanding trade and increasing capital flows. As global governance must operate in a coordinated manner, global economic governance also goes beyond the jurisdiction of any single country, requiring all actors in the international community to manage public resources and solve global economic problems through coordination and collective decision-making. What is different between global economic governance and global governance is that global economic governance is an institutional arrangement for the economy. In contrast, the content

of global governance is broader, encompassing governance in the global economy, society, security, and the environment etc...

Global economic problems mostly come from economic globalization. First, economic globalization has achieved economic development and wealth accumulation, but in this process, the allocation of resources has always been based on national strength. The gaps in international trade, finance, technology, and institutions have increased rather than suppressed global imbalances. Second, economic globalization is a costly opportunity for countries and regions outside the global economic centre. Some developed countries have restricted technology transfer and even blocked trade channels. They have only plundered local resources blindly and recklessly, causing local ecological environmental pressures, which are not conducive to local sustainable development. Third, economic globalization places countries and regions with different degrees of development on the same ship, causing the economic crisis to produce a series of domino and butterfly effects among countries. Financial market liberalization has not provided a stable financing channel, but has increased the vulnerability of the weaker economies, so that no one can ensure that they are immune to the economic crisis. Thus no country can manage alone or stand aloof in the economic crisis (Boughton, Lombardi, & Malkin, 2017).

Nowadays, the global economy is increasingly affected by geopolitics, terrorism, climate change and other non-economic events. It is urgent to establish a more efficient, inclusiveness and responsible global economic governance system. In addition to promoting greater participation and coordination among existing global economic governance mechanisms, regional mechanisms and other established multilateral mechanisms, there is a need to further enhance the voice of developing countries in the global governance system. Because only a truly universal and inclusive multilateral framework mechanism can achieve global sustainable and comprehensive development in the future (UNDP, 2015: 38-39).

1.6 Literature Review

1.6.1 Global Economic Governance

Economy has always been an eternal theme in the process of national development. With the deepening of globalization, economic globalization, as a major part of it, has also closely linked the economic lifelines of all countries. In this context, research on global economic governance has become a hot topic and has had a wide-ranging impact.

The report “Our Global Neighborhood” issued by the Commission on Global Governance (1995) wrote that: “Never before has change come so rapidly, on such a global scale, and with such global visibility.” This report points out the fact that the economies of various countries are gradually interdependent in the context of rapidly changing globalization, and discusses the challenges and risks faced by global economic governance in the new era, as well as the shortcomings and problems of the existing global economic governance system. On this basis, it puts forward a series of suggestions for an effective and balanced global economic governance mechanism in the future, such as strengthen the role of the IMF; establish a representative management body; change existing WTO rules etc...

With the development of globalization, it is not only capital and resources that flow between countries, but also shocks and risks. The rapid changes in the economic pattern have led to the world economy become increasingly unstable, inequality and lack of effective means of governance, the global economic governance in the new century has fallen into a dilemma. Rodrik (2000) pointed out that: Traditional national sovereignty limits the development of economic integration and the efficiency of the global economy. The ambitions of producers and investors weaken the foundation, publicity and legitimacy of national economic systems. In his book “Straight Talk on Trade: Ideas for a Sane World Economy”, Rodrik (2018) further put forward his point of view: Although the trend of trade protectionism has grown, it has not really affected the development of trade liberalization measures, but it is undeniable that populist political forces have become stronger. In this context, many problems of this era revolve around the nation-state and globalization. In order to solve these problems, a reasonable balance must be restored between the state and global governance. That is to say, we need a diversified economic system based on globalization, but in this system, the state should retain sufficient autonomy and sovereignty and formulate independent economic strategies. This is very similar to the Chinese traditional thinking of “Harmonious but Different”.

After the economic crisis that swept the world in 2008, the international community’s doubts about the failure of global economic governance have intensified. The existing global economic governance system has been established for more than 60 years. During this period, with the rapid and wide-ranging flow of production factors and resources between countries, the degree of interdependence of national economies has deepened. But in the process, some countries have benefited, and some countries have fallen into poverty and dependence, and

the world's inequality has been further deepened. According to the report issued by the United Nations (2011):

There is broad agreement among policymakers and practitioners that government policies and international arrangements for collective decision-making have not kept pace with changes. There is increasing concern that existing governance arrangements do not adequately reflect the increased number of nation States and new economic realities, which have come about owing, in particular, to the increased importance of emerging market economies (p.2).

In the report of the United Nations Committee for Development Policy (2014:2), intergovernmental cooperation remains the main theme for the development of global partners and a prerequisite for achieving global development. However, in the future development plan, the existing proposals on global governance and global rules are not comprehensive enough, and the international community has not paid enough attention. The report points out that the current international cooperation and governance mechanisms have not adapted to the increasingly deep global integration and interdependence. Secondly, the global governance structure and rules present a serious asymmetry. This asymmetry is particularly manifested in the responsibilities of developing countries and the influence they exert in governance. In response to similar issues, the report proposes some key principles to reform existing global governance systems such as “Common but differentiated responsibilities and respective capacities”; “Subsidiarity”; “Inclusiveness, transparency, accountability”; and “Coherence”.

With the rise of EMDs, they are playing an increasingly important role in the international community. Especially in the economic field. The Global Development Policy Center of Boston University pointed out that: In the past decade, the scale of financing available for short-term liquidity has increased more than threefold, and the scale of development financing has doubled. And the vast majority of this growth comes from the contributions of EMDs. “EMD-led finance is now twice the size of both liquidity support and development bank finance with nationally held financing dominating in the form of currency reserves and national development banks” (Gallagher and Kring, 2017: 2). This center believes that the rise of EMDs has brought benefits to the global economy, but also some unpredictable risks. More radically, some scholars believe that the rise of the BRICS is a threat to the existing international system (Brawley, 2007).

In the joint report issued by UNDP (2015), it states: The international community is undergoing historic development, and global forces are undergoing a profound shift. “Future of the world and the success of global governance are very much dependent on the interaction between the existing and emerging powers.” The issue of global governance is facing an increasingly severe test. But in this context, global public goods and global governance systems are unable to meet and solve the growing global problem. The voices of the vast number of developing countries cannot be reasonably reflected and valued in the existing global governance system. In other words, although the dynamic trend of power growth and decline is a fact in the international system after the cold war, the changes in the process of dynamic power distribution have not brought about balanced development of power, obligation and interest. This has become a serious practical problem. The existing global economic governance system requires reform and innovation.

1.6.2 The B&R Initiative

The B&R Initiative was launched in 2013. In the early days, some countries and scholars questioned this initiative. They suspected that Chinese BRI was intended to plunder resources and squeeze the development space of other countries, especially big countries. They believe that the BRI is a strategy for China to seek regional hegemony. Its main purpose is to help China manage its sphere of influence in the Asia-Pacific region. For example, Pena (2014) believes that: “One Belt and One Road” is a geopolitical reorientation, and is a China’s Marshall Plan. Supporting the construction of infrastructure in surrounding countries will make Beijing become Asia's most important influence of power.” Tiezzi (2014) believes that: “Marshall plan helped the United States to become a superpower, and Beijing also hopes to achieve the same goal through the OBOR initiative.” Zhao (2016) believes that: China is seeking a connection oriented grand strategy, and is taking advantage of the world’s growing interconnectedness to become stronger. The B&R Initiative is a key component.

On the other hand, some scholars believe that the BRI advocates mutual respect, fairness and transparency, is consistent with the trend of development of the new international relations and is a new force to promote globalization. In the book “Creating Megatrends: The Belt and Road”, the Naisbitt (2017) believes that: the BRI is a revolutionary transformation of the existing globalization framework after careful planning. Meanwhile, based on the existing framework of globalization, the initiative also leaves ample room for maneuvering for all participants.

In October 2016, the National Institute of Global Strategy of the Chinese Academy of Social Sciences and Beijing Foreign Studies University co-sponsored the BRI seminar in a global perspective. 39 experts from 22 countries around the world expressed their views and talked about the new global situation and new challenges facing the BRI. After sorting out by Wang (2015) and Zhao (2016), the opinions of scholars from various countries in the seminar are as follows:

First, the BRI is an important sign that China continues to expand its opening-up policy and establish a new pattern of open development. It is also proof that China has put the concept of win-win cooperation into practice. American scholars believe that “China has brought new changes to the world geopolitics and geo-economics; China is gradually becoming a revolutionary influence on global affairs as an important force of globalization.” India scholars believe that: the BRI is a geopolitical framework rather than a geopolitical arrangement. The Silk Road Economic Belt can be regarded as the second globalization launched by the eastern world. At present, the Silk Road Economic Belt accounts for 63% of the world's population and 29% of global GDP. If the strategy of “made in India and Eurasian Economic Union” can be linked with the “one belt and one road” initiative, the GDP share will be expected to increase to 50%.

Second, over the past six years, the BRI has made significant achievements in areas such as policy docking, infrastructure connectivity, trade and financial integration, and humanities exchanges. A collaborative environment for joint research, collaboration and sharing has been established between different countries. Russian scholars believe that: the BRI is in line with regional and global development trends. It has not weakened or eliminated the current economic system. On the contrary, it represents the international community's desire for peace, mutual benefit and communication. It helps promote free trade and fair cooperation and is in line with the interest of all countries. And the interface between the Eurasian Economic Union advocated by Russia and the BRI should be actively implemented. India scholars believe that: China will promote the BRI through geo economic models, and that geopolitics in the future should be closely related to the geo economy. India should link its own development strategy with the Chinese initiative. Philippines scholars believe that: the BRI is an international strategy. Any member country can link it to its own development plan. The Philippines are also very willing to take an active part in building the BRI advocated by China.

Third, the BRI is gradually shifting from “China Initiative” to Global Action. In recent years, the BRI has followed the inherent laws of international economic development, adapted to the new trend of global economic cooperation, reached a broad international consensus, and won the attention of the world in the process of revitalizing the global economy. Kazakhstan scholars believe that the BRI can strengthen economic and trade cooperation between Kazakhstan and other countries, thereby promoting the regional integration of its regions. Japanese scholars believe that railway construction has a positive impact on all relevant countries, including Russia. Malaysian scholars do not want to regard the BRI as a game of interests between big powers and say that if healthy and free trade can promote peace in the world, the BRI will bring us a new world.

1.6.3 Summary

With the steady development of the BRI, most of scholars from all countries have a positive attitude towards the development prospects of the BRI. Most countries expect to be able to link their development strategies with the BRI to achieve cooperation with China and other countries along the line. At the same time, the BRI has also received widespread attention and support as a new force in globalization. The views of these scholars also represent the attitude of the think tank behind them to support their research. And these views will inevitably be reflected to a certain extent at the national policy level, and have a positive impact on the cooperation of the BRI.

Since the beginning of the new century, global governance, especially global economic governance, has attracted wide attention as a frontier issue in the field of international system, international pattern and international order and international economic order. And with the deepening development of globalization, the related research around the form of global economic governance and the existing problems gradually tends to be perfect. In recent years, with the trend of anti-globalization and the rise of protectionism, the reform of the existing global economic governance system is imminent. In this context, China's BRI not only has innovative ideas, but also has substantive reform practices, provided a new direction and complementary framework for the existing global economic governance system. Therefore, this dissertation focuses on analyzing the core spirit and internal mechanism of the BRI, attempts to prove the contribution of the BRI as a “Chinese plan” to global economic governance.

Chapter II Economic Globalization and Global Economic Governance

“Our world of today is more than ever before one world. The weakness of one is the weakness of all, and the strength of one — not the military strength, but the real strength, the economic and social strength, the happiness of people — is indirectly the strength of all. Through various developments which are familiar to all, world solidarity has, so to say, been forced upon us.”

— Dag Hammarskjöld

In this increasingly integrated world, economic globalization is the trend of the times. Although there are twists and turns, it will not stagnate, still less will this course be reversed. With the acceleration of economic globalization, there is a stronger demand for global governance. However, the former global governance system dominated by developed countries such as the United States and centered on multilateral mechanisms such as WTO, IMF and WB can no longer meet this demand, which leads to the increasingly serious global problems caused by economic globalization, and even triggers an undercurrent of “anti-globalization”. In order to adapt to the trend of globalization and avoid further problems caused by globalization, the existing global governance system must be reformed and improved.

Global economic governance and economic globalization are inseparable. In the modern sense, global economic governance is represented by post-World War II UN and WB, IMF, WTO, which are the three pillars the world economy. Later, G7 and various regional mechanisms emerged, which played an important role, but also produced many problems. The 2008 financial crisis was a point of change in global economic governance, resulted in changes based on existing patterns, such as the reform of the IMF's voting rights and shares, the establishment of the G20, the rise of the BRICS countries, and the introduction of the Chinese plan etc...

However, the existing global economic governance system is still unable to effectively govern international affairs. Facing the increasing global challenges, the accumulated international problems and chaotic world order are arousing people's attention to “global governance failure” (Qin, 2015).

In this context, what institutional dilemmas exist in the current global economic governance? And how to reform it? This chapter intends to give some thought and discussion on this issue.

2.1 The Basic Connotation of Global Economic Governance

At present, there is no clear and unified definition of the concept of global economic governance in the international community and academia. In a broad and comprehensive sense, we can think that global economic governance refers to economic cooperation and co-governance between some or all sovereign countries that transcend national sovereignty. It includes not only cooperative behavior, but also the creation and operation of cooperation mechanisms, as well as related concepts and regulations.

Global economic governance comes from global governance, which is the application and extension of the latter in the economic field, and reflects the relationship between economic activities and governance. In other words, global economic governance is included in global governance. In addition, global governance should also solve global problems in various fields such as environment, energy, security, network and so on (Chen and Shen, 2014).

In terms of connotation, global economic governance has three meanings. First of all, when people use it to describe the efforts made by the international community to rebuild the international economic order since the end of World War II, it is a history of time changes. Secondly, when people use it to describe the global cooperation mechanism, it is an institutional framework for international cooperation and coordination. Third, when people use it to express the expectation of building a global management system beyond national sovereignty, it represents the future outlook of mankind (Zhou, 2011).

The content of global economic governance mainly includes the following aspects. From the perspective of governance subjects, the executing subjects of global economic governance include: countries, international organizations, national groups (G7, G20 etc.), transnational corporations, NGOs and other traditional international relations actors. In addition, they also include a series of emerging social movements, global civil society, transnational alliances, epistemic community, etc.

Global economic governance emphasizes the common governance of governments. Naturally, it also includes formal international institutions with super-sovereignty, such as the IMF, WB and WTO as well as various global and regional cooperation mechanisms. The main contents include the governance of the world's macro-economy, world development, world financial,

international accounting standards system, the world investment, the world industrial development, as well as dealing with related development and poverty reduction issues. The main objectives of global economic governance are: promote sustained, inclusive and equitable growth; advance multilateral trade agreements; enhance food and energy security; provide social protection for the poor and vulnerable; and strengthen mechanisms that reduce inequalities.

2.2 The Origin and Development of Global Economic Governance

2.2.1 Origin

Global economic governance stems from global governance. The practice of global governance is mainly embodied in collective actions to establishing an international order and solving global problems. As early as the second half of the 19th century, some Western sovereign countries tried to practice international cooperation in the fields of humanitarian assistance, health, communication and environment. At the end of the First World War, the “14-point” peace plan proposed by US President Wilson, which emphasized the establishment of a new international order strategy and action, can be considered as the earliest practice of global governance thinking. In the mid-1970s, based on the early practice of global governance, the concept of global governance came into being. During the end of the Cold War, academic circles gradually pushed it into the perspective of theoretical research.

According to Rosenau (1995), the main founder of governance theory, “global governance is conceived to include systems of rule at all levels of human activity — from the family to the international organization — in which the pursuit of goals through the exercise of control has transnational repercussions.” The “Our Global Neighborhood” report published by the Commission on Global Governance (1995) recognizes the deepening of interdependence among countries and calls for strengthening the role of the United Nations. This report re-recognizes and evaluates military, economic, poverty, population, resources, and media issues at the global level from the perspective of global governance. It is the foundation of global governance theory. The global governance theory that emerged in the 1990s portrayed the beautiful goals of the global society. In recent years, the theory of global governance has been continuously innovated and developed through practice, making this theory more instructive and operative for globalization. This is the practical effect of international regulation, and global governance is widely used by countries to solve global problems.

The concept of global economic governance emerged later than global governance. The establishment of the Bretton Woods system after World War II is a sign of the beginning of the global economic cooperation mechanism. But until the end of the Cold War, super-sovereign economic cooperation was mainly limited to developed countries, such as the typical cooperation platform G7, and its scope did not have global characteristics. After the end of the Cold War, with the group rise of large developing countries, the willingness, ability and corresponding responsibilities of developing countries to participate in global economic cooperation have increased significantly. The G20 informal ministerial meeting mechanism established in the late 1990s meant that true global economic governance began. It also marks China's formal participation in global economic governance. So far, the concepts and terminology of global economic governance have been widely used in many occasions. Strengthening global economic governance and reforming the global economic governance mechanism has been mentioned at an unprecedented height.

2.2.2 Development Process

Globalization is the objective cause and an important prerequisite for global governance. Global governance comes from the practical need to solve global problems and is the product of social progress. From the relationship between globalization and global governance, globalization is the cause, and global governance is the result, but the role between the two is always mutual. Globalization mainly follows the economic logic, while global governance mainly reflects the political dimension. Economic globalization is the leading and main content of globalization and an important part of globalization. On a deeper level, global governance is aimed at managing and promoting globalization, not just a passive response to globalization.

(1) Rise of Economic Globalization: Tortuous Development of Global Economic Governance. Some scholars define globalization as the process of continuous regional integration in which economies around the world, through free trade and the free capital flow, lead to the gradual expansion of cross-border activities such as commodity trade and population transfer, and finally form a situation of interdependence (Daly, 1999; Gao, 2000). And with the rapid development of science and technology, the distance between the world is constantly shortened, the economic globalization is also constantly developing and strengthening.

In terms of economic scope, early human economic activities were mainly confined to their own countries. With the progress of productivity, especially the development of transportation,

human beings gradually have the ability to conduct long-distance business. For example, China's ancient Silk Road and ancient Greek transnational business activities are efforts and explorations of human beings trying to break the boundaries of the region, expand the scope of economic activities, and extend the economic end. Although these activities also have the form or prototype of “globalization”, in the eyes of modern people, these may not be considered as economic globalization in the modern sense. Because these activities were negligible in the general pattern of human economic activities at that time.

Since 1500, human beings have moved from decentralization and isolation to overall connection and development. Globally, the economies of various regions and countries begin to blend with each other, the main bodies begin to carry out globalization activities, the rules and regulations operate globally, the global economic mechanism gradually forms and improves, the emergence of capitalism and the formation of the world market have opened the wave of globalization.

In the history of the world, market economy is the biggest institutional innovation that human beings have experienced, while industrial revolution is the greatest achievement of human development. With the promotion of market economy and industrial revolution, the global economy led by the United Kingdom has developed rapidly. After the first industrial revolution, the world witnessed the rise of Britain and its progress in leading the global economy. This is a wave of economic globalization in the global sense, which has pushed the market economy and the industrial revolution to the global level; However after World War I, the global economic crisis broke out and the British economy was seriously damaged. The newly rising United States abandoned the opportunity to participate in economic globalization, resulting in a leadership vacuum, leading to a more serious world economic crisis. The crazy crisis triggered the Second World War. The first wave of economic globalization has been interrupted, and global economic governance has been plunged into chaos.

After the end of the Second World War, especially after the end of the Cold War, The world ushered in the “American Century”, the Western countries led by the United States have established a new world economic order. The global economic governance system has been gradually formed, and around the basic framework of the Bretton Woods system, the United Nations, the WB, IMF, WTO, GATT and other major institutions have been established. It shows that the framework of global economic governance has been basically completed. After decades of continuous enrichment and improvement, it has already been deeply rooted. After

the cold war, this order has promoted the development speed of economic globalization and the Neo-liberal institutionalism with the United States as the core rose rapidly and became the dominant idea of the international order (Keohane. 2012). The acceleration of the globalization process is the main reason for the rise of global governance as a theoretical trend of thought and practice. It is also one of the most striking developments in the field of international politics after human development entered the 21st century. Under the impetus of globalization, there are increasing global forces and trends in international relations and global affairs, such as the increase of global interconnection, the increase of transnational forces and interconnection, the vigorous development of international organizations and institutions, etc.

Throughout the history of the rise of Britain in the 19th century and the rise of the United States in the 20th century, we will find that the historical process of the rise of great powers is also the history of the economic globalization towards a greater scope and a higher degree (Jin, 2017). However, with the deepening development of economic globalization and the change of international economic situation, the original governance model has gradually shown its drawbacks, and can no longer play the role of adjusting and guiding the global economy. For example, the Doha Round negotiations under the WTO framework are deadlocked, the difficult to reach a consensus on capital regulation, the rise of trade protectionism and the downturn in the world economy after the 2008 economic crisis. All these indicate that the existing framework of global economic governance needs to be reformed to adapt to the new international environment and meet the challenges posed by the financial crisis, and highlight the inevitability and necessity of the transformation of global economic governance.

(2) The turn of economic globalization and the period of great changes in global economic governance.

In the 21st century, with the in-depth development of political multipolarity, economic globalization, social informatization and cultural diversity, mankind has really ushered in the era of globalization. On the one hand, the growing interconnection and dependence between countries makes the boundaries of strategic interests between countries no longer be quite distinct from each other, and zero-sum game is no longer the main feature of international relations. On the other hand, in the face of global problems, it is difficult for any country to be alone. Economic globalization is in a critical period of transformation between the old and the new. Human society has once again come to the key ferry of history. In the 21st century, the

global economy has undergone unexpected changes. The international financial crisis that erupted in 2008 brought economic globalization to a crossroads:

First, the driving force for economic growth has weakened and trade growth has slowed down. Trade is the engine of world economic growth. During the period of economic globalization, both economy and trade should show rapid growth, and trade growth should be higher than economic growth. However, the current trade growth rate is significantly lower than the world economic growth rate, and economic globalization is in a “regressive” stage (Boughton, Lombardu, & Malkin, 2017).

Second, the pattern of international capital flows is changing. There is a turning point in global capital flows. According to the “2019 Investment Trends Monitor Report”, global foreign direct investment (FDI) declined 19% in 2018, from \$1.47 trillion to \$ 1.2 trillion. The decline was mainly concentrated in developed countries, while the FDI of developing countries showed strong resilience. The continued decline for three consecutive years has led to a new low in global FDI after the global financial crisis, which is expected to pick up in 2019, but has little hope (UNCTAD, 2019a). The inflection point change of global capital flows has brought about drastic fluctuations in global exchange rates, interest rates and prices, and aggravated the instability of the world economy.

Third, With the coming into power of President Trump, under his leadership, the United States has frequently imposed economic sanctions on other countries. Trade wars have intensified. Contradictions among countries have obviously increased. Trade protectionism has been significantly strengthened and economic frictions have intensified. This has further aggravated the weak global economic situation, such as If it can not be effectively controlled, a new round of crisis can not be avoided (Oxenford, 2018).

Fourth, economic globalization has not only promoted economic development, but also accumulated many problems. Reflected in the strategic choices of big countries, how to deal with the contradictions of economic globalization, presents two different paths: One is a retrogressive, closed and exclusive anti-economic globalization path, the other is a progressive, open and advocating the community of human destiny. Under this background, economic globalization in the new era has entered a crossroads. Just like Frank Walter Steinmeier, the President of Germany said:“The old world of the 20th century is over for good.

How tomorrow's world will look has not yet been decided, it is totally open” (AFP, 2017). Various unstable and uncertain factors are increasing day by day. Global economic governance needs to keep pace with the times in order to improve the ability to deal with various risks and challenges brought about by economic globalization.

2.3 Dilemmas in the Global Economic Governance System

As mentioned above, since the 2008 financial crisis, the reform and innovation of the global economic governance system has become the consensus of the international community, and the systems in all areas of governance have undergone different degrees of creation and reconstruction. Several major platforms of world economic governance are undergoing self-adjustment and transformation. Nevertheless, such adjustment and transformation have not fundamentally eliminated the shortcomings of economic cooperation. Current international mechanisms are still unable to respond effectively to global challenges, and the failure of global economic governance still exists.

Qin (2015) believes that at present, the government deficit in the global society is becoming more and more serious, and the world problems that have arisen since the end of the cold war have not been properly solved, which is the manifestation of the failure of global governance. According to the basic conclusion of the “Yellow Book of the world economy” issued by the Chinese Academy of Social Sciences (2016), there are fundamental defects in the current global economic governance system. Governance cannot meet the needs of emerging markets. However, due to the difficulty of forming effective consensus and governance mechanism between emerging markets and developed countries, the existing specialized economic governance institutions are difficult to deal with global problems. Fortunately, regional and cross regional economic governance mechanisms are beneficial supplements to the current wrong global economic governance system. In my submission, the defects of the current global economic governance system specific performances :

2.3.1 Democratic Deficit

The rise of emerging countries has made people realize that the future world will no longer rely on the hegemonic order to maintain, but should fully play the role of more actors, including emerging countries. However, in the existing global economic governance system, EMDs are still mainly receivers and followers of global economic governance rules, and their representation and voice are obviously inadequate (Hurrell and Woods, 1999: 1). The current

decision-making procedures for major global economic governance mechanisms mainly include the following two types: First, the weighted allocation decision-making power according to a certain index system, such as the decision-making process of the IMF and the WB; The second is to evenly distribute decision-making power according to the principle of “consensus”, such as the decision-making process of the WTO. In addition, there is a forum-style global economic governance mechanism formed after the financial crisis, such as the G20 summit mechanism. Its decision-making process has no clear rules system, but is closely related to the decision-making influence of each member. An indisputable fact is that the decision-making processes of the existing global economic governance mechanisms are all led by the United States and other advanced Western economies, its main purpose is to safeguard the interests of the major developed economies. Even so, if all members of the global economic governance mechanism can participate in decision-making in accordance with the rules, the democratic deficit of global economic governance will not develop to such a serious extent today.

In the IMF and the WB, which have weighted allocation of decision-making power process, the voting rights of EMDs have not been properly adjusted for a long time. Since the 1990s, the economies of EMDs have continued to expand and occupy an increasingly important position in the global economy. According to the 2010 IMF share and voting rights reform program, GDP has a weight of 50% in share allocation, and the three indicators of economic openness, economic volatility and international reserve account for 30%, 15% and 5% respectively (IMF, 2018b). According to the statistics of IMF the GDP of EMDs exceeded that of developed economies in 2008, reached 1.42 times of that of developed economies in 2017. Moreover, the economic openness and international reserve situation of EMDs have continued to improve. However, although the IMF and the WB increased the voting rights of EMDs after the 2008 International Financial crisis, the representation of major emerging market countries is still insufficient, and the United States still has the veto power.

In the WTO, developing countries are not able to fully enjoy their voice on many issues, and even excluded from the negotiation process on issues of their own interest. From the perspective of institutional arrangement, WTO's decision-making mechanism follows the principle of “consensus”. For negotiations on any subject under the WTO framework, if members raise objections, no agreement can be reached. Therefore, every WTO member has the veto power. However, in practice, this decision-making process based on broad democratic principles is often not fully implemented. The reasons mainly include the

following two aspects: First, developed economies such as the United States and European countries usually dominate the topic setting of WTO negotiations. Developed economies not only have a strong ability to set topics, but also often control the negotiation process by forming alliances; Second, developed economies such as the United States and Europe dominate the “Green Room Meeting”¹ of the WTO and selectively invite developing countries to participate in this informal and opaque consultation mechanism, while most developing members are excluded. Therefore, even under the principle of “consensus”, the problem of insufficient representation of developing countries is still widespread, and the interests of different countries cannot be fully expressed and discussed. This is one of the important reasons for the frustration of the WTO Doha Round negotiations, and it is also an important reflection of the global economic governance democratic deficit.

In the G20, there are still some uncertainties in the direction of its development. As representatives of developing countries, members of emerging countries are still unable to participate effectively in the global economic governance decisions of the G20, and the decision-making leadership is still dominated by members of developed countries. With the development of the international economic situation, the G20 has shown some inadaptability, the most prominent manifestation is that it failed to transform from a crisis response mechanism to a long-term governance mechanism, which greatly reduced its legitimacy and efficiency. The governance rules of the G20 are merely consensus-building, lacking strict, legally binding enforcement and accountability mechanisms. In addition, the pattern within the G20 presents a situation of “G7+G13”, which also provides an opportunity for some developed countries to differentiate and weaken the G20. Because the 13 countries are temporary groups with no unified ideas, values and ideologies. Member States of the G7 generally believe that upgrading the G20 to a heads-level institution is only an expedient solution to the financial crisis. On the contrary, 13 countries generally regard international organizations as legitimate institutions for crisis resolution. These countries favour formal, universal, treaty-based international institutions as the most legitimate decision-making bodies and as the cornerstone of international economic reform. Because of the huge

¹ The statement of the "Green Room Meeting" began in the Uruguay Round, because the office of the GATT Prime Minister was green at the time, and the meetings held there were mostly exclusive and closed, so people so people called this kind of small-scale consultation as the "Green Room Meeting". This system, which was first compromised by some of the "invited" members and then extended to all members, was used several times in the Uruguay and Tokyo Round and the WTO Ministerial Conference and has become the usual practice of WTO dispute resolution.

differences in the same problem, this makes it difficult for the G20 to achieve its promise (Subacchi and Pickford, 2015).

Generally speaking, the development and governance of the world economy after World War II are basically the result of the coordination of major powers. The disparity of economic strength leads to the inequality of decision-making power and participation power in global economic governance, and ultimately leads to the existing democratic deficit. The diverse development path represented by emerging economies has been increasingly concerned, understood and affirmed by the international community, but it has not become mainstream. The leadership of the old and new ideas is still in an alternating transition period.

2.3.2 Responsibility Deficit

In essence, governance of global issues is a process of sharing governance costs and responsibilities among countries. The responsibility of all countries in the world to fulfill their obligations is the proper meaning of participating in global governance. However, at present, some main beneficiaries of the benefits of economic globalization try their best to evade the corresponding responsibilities, but force the latter to assume obligations that are not compatible with their own rights. This not only increases the responsibility vacuum of global economic governance, but also leads to the distortion of power-responsibility relationship in the field of global economic governance. Global economic governance has therefore lost its guarantee of normal operation and lost its momentum. As the main designer of the existing global economic governance system, the United States has effectively maintained its hegemonic status by leading a series of international rules and safeguarding its own international interests. But for the international responsibility of self-setting, the United States often does not perform seriously.

The 44th US President Barack Obama said in a speech at the West Point Military Academy in 2014: In the face of an accelerating world, the question for the next century is not whether the United States can lead the world, but how the United States leads the world (The White House Office of the Press Secretary, 2014). The 45th US President Donald Trump's answer to this question is undoubtedly very ironic. After Trump took office as President of the United States, his foreign policy has been greatly adjusted in accordance with the principle of "American priority". One of the important adjustment directions is to perform as little as possible or even to fulfill its due international responsibilities. Under the guidance of this principle, the "Retreat Group" behavior of the United States is becoming more and more intense. For

example, in the economic field, Trump signed a presidential decree to withdraw from TPP on his first day in office, cleared up multilateral trade agreements which he thought were unfavorable to the interests of the United States; In the field of global climate governance, the United States is trying to reduce its international responsibilities by threatening to withdraw from the “Paris Agreement”. In United Nations Education Scientific and Cultural Organization (UNESCO), the United States refused to assume membership obligations for various reasons and announced its withdrawal from the organization in October 2017.

For some obligations defined by international rules, the United States also tends to make trade-offs based on its own interests and is unwilling to be bound by them. For example, Trump lacked recognition and trust in multilateral international mechanisms and showed negative attitudes towards global economic governance. On this basis, he stranded the Transatlantic Trade and Investment Partnership (TTIP), demanded a renegotiation of the North American Free Trade Agreement (NAFTA); as a member of the WTO, the United States has an obligation to promote global trade liberalization and facilitation, and to assume the obligations of developed members on tariff concessions. However, the United States has blatantly violated the WTO Agreement and imposed tariffs substantially. In March 2018, Trump signed an announcement to impose a 25% tariff on imported steel products and a 10% tariff on imported aluminum products; In July 2018, the United States imposed a 25% tariff on imports of about \$34 billion from China; in August 2018, the United States imposed a 25% tariff on \$16 billion imported from China; In addition, the U.S. government has announced a phased tariff increase of 10% and 25% on \$200 billion imported from China (The Economist, 2018). This not only directly led to the relevant countries to take tit-for-tat measures to increase tariffs, but also shaken the confidence of countries to seriously fulfill their international responsibilities.

In recent years, developed economies such as the United States have proposed increasing the responsibilities and obligations of developing countries. In terms of sharing responsibility for global economic governance between developed and developing countries, the “double standards” that developed economies have long advocated are more exposed, and some developing countries have to become the main promoters, builders and contributors of a more equitable and rational global economic governance system. In a word, the refusal of some countries to fulfill or transfer their responsibilities has led to the failure, inefficiency or internal friction of global economic governance. However, due to the anarchy at the global level, the behavior of relevant countries can not be effectively constrained, and the

responsibility deficit of global economic governance can not be fundamentally solved, but also shows a growing trend.

2.3.3 Utility Deficit

For a long time, the effectiveness of global economic governance has been widely concerned and discussed by the international community. The so-called effectiveness of global economic governance includes not only the efficiency of global economic governance, but also the effect of global economic governance. The former aims at assessing whether global economic governance actions effectively use resources to reduce costs, while the latter aims at assessing whether global economic governance achieves its intended objectives. From the current situation of global economic governance, inefficiency and ineffectiveness have accumulated, and utility deficit has become a prominent manifestation of global economic governance dilemma.

Regarding the efficiency of global economic governance, whether it is international coordination and negotiation or internal governance of international institutions, it is increasingly divorced from the realistic needs of global economic governance. Taking trade as an example, the decline in the efficiency of international coordination and negotiation not only consumes a lot of manpower and material resources, but also makes the contradictions and disputes in related fields unresolved for a long time, thus seriously hampering the promotion of trade liberalization and facilitation. In the 1940s, the establishment of GATT took about one year, and the establishment of WTO in the 1990s took about one year too. However, the new round of multilateral trade negotiations launched by WTO Doha Ministerial Conference in 2001 has not yet reached a final agreement. As an early harvest of the Doha Round negotiations, the Bali Package Agreement was finally reached in 2013, which lasted 12 years. Since the 21st century, the negotiation of many regional free trade agreements has also undergone a long period of consultation and negotiation. For example, it took six years for TPP to start and conclude negotiations, and more than two years to sign the Comprehensive and Progress Trans-Pacific Partnership Agreement (CPTPP). At the same time, the bureaucratization of global economic governance institutions has become increasingly prominent, and the bloated institutions and inefficiencies have become common problems that are difficult to cure. For example, the efficiency of the World Bank has long been criticized and has become an important concern of many reform programs (Payer, 1982).

As for the effect of global economic governance, it is a topic that attracts much attention but is far from what people expected. Some scholars have made detailed assessments on whether global economic governance can help promote financial stability, trade freedom and trade balance, and investment equity, but the results are not satisfactory. If the international community wants to maintain the positive side of the global process in the coming decades, then a lot of policy and institutional reforms will be inevitable (Boughton, Lombardi & Malkin, 2017: 37). In the field of monetary and financial affairs, despite the great efforts made by various countries in policy formulation and mechanism design of global economic governance, financial turmoil and financial crisis are still frequent and increasing. In the field of trade and investment, protectionism and unilateralism, which run counter to the goals of liberalization and facilitation, are increasingly prevalent, and have become one of the main factors contributing to the weak growth of international trade and investment. In the field of economic development, economic globalization promotes global common development, but also enlarges global income inequality (UNCTAD, 2019b). Different countries and strata can not enjoy the global development dividend equally. Relevant data show that the richest 1% of the world's population owns 47% of the world's wealth, more than half of the total wealth of low-income adults, and the richest 10% of the world's population owns 85% of the world's wealth (Shorrocks, Davies & Lluberás, 2019).

2.4 The internal Motivation of the Global Economic Governance Dilemma

From the perspective of history and reality, there are many factors that cause global economic governance to be in trouble. However, from the core elements of global economic governance, the governance subjects, governance objects, and governance means have evolved over the past few decades, accumulating some irreconcilable contradictions, challenges and problems that are difficult to deal with.

2.4.1 The Subject of Global Economic Governance: Interest Differentiation

The subject of global economic governance refers to the actors who govern global economic problems, including both state actors and non-state actors. In these actors, the state and government organizations often play a very important role. It is hard to imagine the effectiveness of global economic governance without the participation of states or governments. However, in an international society without a world government, the behavior of the state, especially the actions of the big powers, cannot be effectively restrained. “Self-help” is often the norm of the international community. In other words, global economic

governance is now in a decentralized, unled and anarchy state. In this state, due to the lack of an institutional framework to facilitate effective consensus-building, conflicts of interest between countries — In particular, conflicts of interest between developing and developed countries have occurred from time to time, making it difficult to reach an enforceable collective decision (UN, 2011). For rational state actors, maximizing their own interests is the most important goal they pursue. In this sense, every country's participation in global economic governance stems from the pursuit of its own interests. And global economic governance is an action dedicated to the common interests of all mankind. Although the national interest and the common interests of all mankind are coexisting in essence, in today's world, the differentiation of interests at these two levels makes the global economic governance process still meet with great difficulties.

2.4.2 The Object of Global Economic Governance: Increased Challenges

The object of global economic governance refers to the target of global economic governance. Although global economic governance focuses on global economic issues, its specific targets are very broad, including the global economy, climate environment, energy use, and so on. Because problems such as climate, environment and energy are often derivative problems arising from economic development. But in terms of specific understanding, the object of global economic governance is closely related to its purpose. Why global economic governance? What kind of global economic governance do people need? Such issues determine the scope and priority of global economic governance. In this regard, Chinese President Xi (2016) made a very clear statement at the G20 Hangzhou Summit. Under the current situation, the focus of global economic governance includes the following four aspects: 1. Ensure fair and efficient global financial governance and maintain the overall stability of the world economy; 2. Promote open and transparent Global trade and investment governance, consolidate the multilateral trading system and release the potential of global economic, trade and investment cooperation; 3. Establish green and low-carbon global energy governance and promote green development cooperation; 4. Promote inclusive global development governance and implement the sustainable development of the United Nations in 2030 Agenda, jointly promoting human welfare.

However, no matter in the field of global economic governance, global energy governance or global development governance, the world today faces unprecedented challenges. According to the report of “World Economic Situation and Prospects in 2019”, In the economic field:

“Economic activity at the global level is expected to expand at a solid pace of 3 per cent in 2019, but there are increasing signs that growth may have peaked.” In 2018, the growth rate of industrial production and large-scale trade around the world will slow down. Due to the escalation of trade frictions, economic shocks and geopolitical tensions in recent years, many countries will face a continuous slowdown in economic growth in 2019; In the field of environment: The risks posed by extreme weather are increasing. In recent years, climate change has created a large number of extreme environments that have affected both developed and developing countries, resulted in massive destruction of infrastructure and displacement of people. If the global temperature rises by 1.5 °C, the risk of coastal infrastructure being inundated by the oceans will increase dramatically, which may have occurred as early as the 2030s; In the field of development, global inclusive development and linkage development are obviously insufficient. The implementation of the UN 2030 sustainable development agenda faces a very difficult task. At present, there are still a large number of people in the world who lack social security. Food, clothing and shelter are still problems that many people are troubled by. The increasing gap between the rich and the poor has made the goal of poverty eradication and decent work for all more distant. In addition, the lack of income growth has also brought more problems to countries and increased the challenges on the breaking of infrastructure bottlenecks (UNCTAD, 2019b). In a word, the challenges in various fields of global economic governance are increasing, which objectively puts forward higher requirements for all countries in the world to participate in global economic governance.

2.4.3 Means of Global Economic Governance: Institutional Failure

Global governance is mainly carried out in accordance with the existing rule system. Rules are indispensable to society. Without rules, there can be no governance. On this basis, the participation of the world in global economic governance mainly depends on a series of international rules and systems to achieve benefit sharing and responsibility sharing, and punish those who violate the rules. Since the Second World War, the international community has established a multilateral economic governance mechanism covering the whole world and a regional economic governance mechanism involving a wide range of fields. Together with a large number of bilateral, regional and multilateral economic agreements, they constitute the rules and institutional systems for global economic governance. However, due to the hindrance and influence of various factors, the reform of global economic governance mechanism has made slow progress, which can not meet the needs of the new situation of

economic globalization, nor can it effectively deal with the emerging new problems and challenges in the field of global economic governance (Qin, 2015). The widespread institutional failure in the world makes the means of global economic governance more scarce, and seriously erodes the effectiveness of the mechanism. Therefore, the failure of governance is reasonable.

In the global economic governance institutions with formal regulations and rules, such as the IMF, the WB, and the WTO, their actual operations are far removed from their purposes and functions. Lachman (2012) pointed out that: As the world's most important monetary and financial institution, the IMF's warnings about the economic and financial crisis have remained a very bad record. Despite the huge imbalance between the world economy and finance, it did not predict the collapse of the US real estate market and its destructive spillover effects on the rest of the world by 2008-2009, nor did it provide early warning of the subsequent European sovereign debt crisis.

As the most influential multilateral development financial institution in the world, the functions and responsibilities of the WB in promoting global development, especially in developing countries, have also been criticized. The effect of the World Bank in helping poor countries to get rid of poverty has not been obvious. It is an indisputable fact that rich countries are richer in the development of the international community. Some underdeveloped countries even complain that the existence of the World Bank has aggravated their poverty (Payer, 1982). At present, there are only three official judges in the WTO Appellate Body, which differs from the number of statutory permanent judges by four. Therefore, as the “sharpest teeth” of WTO, the dispute settlement mechanism cannot play its full role because of the insufficient number of judges. If WTO members have not been able to reach consensus on the appointment of Appellate Body judges, by December 2019, two of the three existing judges will expire their terms of office, and the Appellate Body of WTO will face a suspension crisis due to the serious shortage of judges.

In addition, the driving force of regional and global economic governance mechanisms such as the G20 forum to guide and promote global economic governance is fading. As the remnant symptoms of the international financial crisis are alleviating, the G20 is also facing the problem of institutional failure. In recent years, no significant substantive progress has been made by the G20 in promoting the reform of global economic governance or in

promoting the world economy, finance, investment and trade. “It has also been dismissed as a “talking shop”, where little real progress is made” (BBC News, 2019).

Chapter III The Belt and Road Initiative

“We think of globalization as a uniquely modern phenomenon; yet 2,000 years ago too, it was a fact of life, one that presented opportunities, created problems and prompted technological advance.”

——Peter Frankopan, *The Silk Roads: A New History of the World*

With the increasingly close ties between the world, various platforms and modes of cooperation have emerged in the international community. However, it can not be ignored that some platforms or modes set stringent requirements and additional conditions, resulting in some countries benefiting while others are treated unequally or even marginalized. Moreover, in recent years, the economic recovery of Western countries has been slow, their economic activity is also on the decline. In this context, the tide of globalization led by western countries also shows a weak trend. The international community and the trading system need new vitality. The BRI came into being, it was born in response to the situation and injected new vitality into the international community and the trading system.

3.1 The Origin of the Belt and Road Initiative

3.1.1 Ancient Silk Road

The concept of “One Belt, One Road” originated from the network-based ancient trade channel of commodity trade and cultural exchange between China and other ethnic groups in the western Eurasian continent. Because silk is the main commodity, it is known as the “Silk Road”. Although the “Silk Road” is a rising term in modern times, the history of it can be traced back to the Warring States Period of China (403-221 BC). At that time, there was an export trade in which the silk produced in ancient China was exchanged for the special products of East Turkestan. Later, after transit through Persia and other places, silk gradually spread to Central Asia, West Asia and European countries, which was highly respected and even in short supply. In 138 - 126 B.C, a Chinese named Zhang Qian set out from China and spent several decades opening up an ancient trade route connecting Asia, Africa and Europe. This route not only promoted the exchange of goods and trade between eastern and western countries, but also was a great breakthrough in the cultural exchanges between two completely different worlds, it ushered in a prosperous era of rapid cultural and economic development.

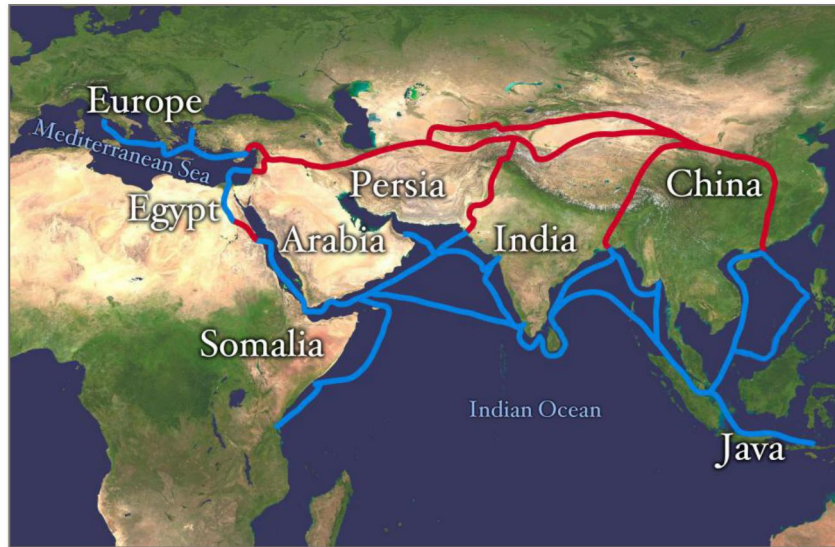


Figure 3.1 *Ancient Silk Road Map*²

According to the different modes of transportation and routes, the ancient silk road can be divided into the land silk road and the maritime silk road. The land silk road refers to the channel of trade and cultural exchange between ancient China and Central Asia, the Middle East and Europe. For thousands of years, China's ancestors used this road to trade with people in Central Asia, South Asia and other parts of the world. Historically, Buddhism in India, Islam in the Middle East and Christianity in Europe were introduced into China through these channels. Correspondingly, the four great inventions³ of ancient China also flowed to the whole world via the Silk Road, and caused a great shock. The maritime Silk Road is roughly divided into East China Sea route and South China Sea route. It crosses the Yellow Sea, the Bohai Sea, the Indian Ocean and the Persian Gulf. It is a maritime trade channel connecting Southeast Asia, Africa and the Mediterranean Sea. Through the Maritime Silk Road, China exports silk, porcelain, tea, and even advanced technology and culture, and imports various spices, flowers and forages. Its history can be traced back to the Zhou Dynasty and reached its peak in Zheng He's voyage⁴ in the early Ming Dynasty. But finally ceased to be used after the

² Picture source: https://commons.wikimedia.org/wiki/File:Silk_route.jpg

³ The four great inventions of the Ancient China are paper making, printing, the compass and gunpowder.

⁴ Zheng He's voyage (1405-1433) to the Western Ocean was the largest and longest voyage in ancient China, with the largest number of ships and seafarers. It was also the largest series of maritime expeditions in the world's history before the voyage of the great geographical discovery in Europe at the end of the 15th century.

Opium War⁵. As time went by, the light of the Ancient Silk Road was gradually obscured by the dust of history.

3.1.2 The Development of the “Ancient Silk Road” by “One Belt & One road”

Under the conditions of the new era, the BRI as an open system does not restrict participating countries and covers all foreign trade geographic channels. It contains and develops the main channels of the “Ancient Silk Road”. Through the revolution in transportation and communications technology, B&R has involved a wider geographical area that across the three continents of Europe, Asia and Africa, involved in investment accounted for 30% of the global GDP, the trade area covers 62% of the world's population (World Bank, 2018).



Figure 3.2 *The B&R Map*⁶

The “Belt” of BRI refers to the “Silk Road Economic Belt” from Western China through Central Asia, West Asia, Persian Gulf and Mediterranean to Europe. The “Road” refers to the “21st Century Maritime Silk Road” which starts from the coastal ports of China and connects the South Pacific, Southeast Asia, India, the Arabian Peninsula and the East Coast of Africa. Through the construction of the BRI the exchanges between China's central and western regions and Central, South, West Asia and Central and Eastern Europe have been strengthened. These four regions have formed four radiation areas centered on their own locations, which have driven the development of entire Eurasian regional economy. On the basis of the Ancient Silk Road, the BRI aims to strengthen the close relationship between the world economy, not only creating a broad space for China's opening and development, but

⁵ Opium War, the First Anglo-Chinese War. It was a war of aggression launched by Britain against China from 1840 to 1842. It was also the beginning of modern Chinese history.

⁶ Picture Source: <https://theloadstar.com/comment-one-belt-one-road-future-trade-east-west/>

also providing more opportunities for world economic development. The Chinese government is committed to making the BRI become a platform that is fair, open, comprehensive and development, which be expected to play a huge role and influence in promoting global economic governance.

In summary, the BRI is an expansion and innovation of the ancient silk road, taking China as the starting point and countries along the route as the fulcrum, forming a trade region connecting the world, establish bilateral or multilateral trade mechanisms and create opportunities for economic cooperation. At the same time, the BRI hopes to use the existing international cooperation platform to build a more fair and mutually beneficial cooperation platform with the participating countries. It advocates an inclusive and equal cooperation model and hopes to build a multi-level and comprehensive trading system with the participation of countries from different backgrounds. ensure that countries can give full play to their strengths, make full use of their own advantages, create market demand, expand investment and employment, and ultimately achieve complementary development among countries. The BRI inherits its historical significance, combines the trend of modern development, takes peaceful coexistence as the basic principle, promotes the in-depth cooperation among participating countries, thus achieves sustainable and effective development.

3.2 The Proposal and Historical Background of the BRI

3.2.1 The Strength of EMDs such as China Has Increased

According to the statistics of Peterson Institute for International Economics (PIIE), during 1960-2000, only 21 developing countries outpaced the United States in economic growth, while 80 developing countries outpaced the United States in 2000-2011, with an average growth rate of about 3 per cent higher than that of the United States. And the rise of China as a major trading nation is one important characteristics of the most recent wave of globalization (Subramanian, 2013: 3). In the past 10 years, China's total economic growth has increased by 239%, and the total import and export volume of goods has increased by 73%, making it the second largest economy in the world. This has not only benefited China's 1.3 billion people, but also contributed tremendously to the economic development of the world and regions. In addition, the total economic output of the five countries in the BRICS countries increased by 179% in the past 10 years, and the total trade volume increased by 94% (Xi, 2017b). In the 2013 Human Development Report, the UNDP predicted that by 2020, the

total economic output of the three leading developing economies (Brazil, China and India) would exceed the total output of Canada, France, Germany, Italy, the United Kingdom and the United States.

The growth of this economic strength provides solid material foundation and possibility of realization for China and EMDs to establish and participate in the BRI. Historically, the ancient Silk Road is the link between China and other countries in economic, trade and cultural exchanges. The Silk Road, which runs through East to West, across Europe and Asia, carries the great mission of human ideal, civilization and friendship for thousands of years. The BRI is based on this inheritance and the needs of the current economic development. It covers a wide range of fields, including geography, diverse humanities and complex industry sectors, and is a large and systematic project. One of the most important is the interconnection of infrastructure construction. Because the BRI covers a large number of developing countries and underdeveloped countries, backward infrastructures seriously hamper their ability to develop and connect. However, such projects have large investment, slow cost recovery, and long cycle of capital operation. Therefore, international financial institutions do not have a strong willingness to invest in infrastructure construction. According to estimates by the Asian Development Bank (2017), from 2010 to 2020, the demand for infrastructure in Asia will be \$8 trillion, an average of \$750 billion per year, such a huge financial demand cannot be borne by any country or organization alone.

The proposed of BRI has obviously improved this situation. At present, multilateral financial institutions have strong support for the B&R national project construction. In 2017, the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) provided loans of \$192.1 billion to the 71 participating countries of the “Belt and Road”, which expended 7.7% than last year. In recent years, sovereign funds and investment funds have also played an increasingly important role. For example, sovereign wealth funds such as China Investment Corporation have significantly increased their investment in the BRI countries. The China-EU Joint Investment Fund began its substantive operation in July 2018 with an investment scale of 500 million Euros, which effectively promoted the joint construction of the BRI and the European investment plan (China International Contractors Association, 2019:11).

3.2.2 Economic Globalization is in Transition

In the 1990s, globalization flourished. The disintegration of the Soviet Union marked the end of “Hemisphericization”, and globalization broke through the two institutional barriers and became the institutional language that swept the world; With the establishment of WTO, the “Troika” mechanism of globalization, which integrates finance, currency and trade, has finally come into being; The birth of the euro and the establishment of the European Union have enhanced the confidence of the world in regional governance and integration; China has accelerated its integration into the global system, and the four Asian tigers have added a new oriental engine to globalization. However, after a series of landmark achievements, economic globalization has suffered a series of strikes since entering the 21st century; The “9.11” terrorist attack ended the golden phase of globalization, and the gap between the anti-terrorism front and the evil axis is getting bigger and bigger. “Clash of civilizations and world order Reconstruction” becomes a reality; The war on terrorism has not yet taken effect, but the financial crisis has swept through. The economy has been sluggish, trade has shrunk, unemployment has soared, and debts have risen. The crisis has hit economic globalization and triggered a chain reaction. Britain’s “Brexit” and Trump’s election highlight the deep contradictions between countries, classes and races, while the refugee crisis and the prevalence of populism further eroded the achievements of regionalization and globalization. For a time, the talking of “death” and “end” of globalization are endless -- “will globalization end?” “What happened to globalization?” “Will the”Brexit mark the end of the age of globalization?” (King, 2017; Lee, 2016).

The thinking about “death” and “end” of globalization is overstated, but the transformation of globalization is an indisputable fact. Historically, globalization has undergone several transformations. the colonial globalization led by Britain at the end of the 19th century, the free trade globalization led by the United States after World War II, and the dominant globalization of the United States after the setback of Soviet Union and the Eastern European countries reforms all suffered setbacks. After the financial crisis, the signs of the re-transformation of globalization are becoming clearer and clearer. The Financial Times points out that globalization has entered a transitional era (Wolf, 2013). Expert advisors to the Finance Committee of the House of Commons believe that “globalization led by the West is in a dilemma” and that the “new world” of non-Western countries is approaching. Now we need to come back to reality soberly (King, 2017). Chinese scholar Zheng (2016) believe that globalization has not reversed, but has encountered slowdown facilities. Although the reality

of globalization is far from the expectations of neoliberalism, the downturn in developed countries and the trend of differentiation in developing countries have weakened the momentum for continued expansion of globalization - which is not a bad thing. This tight rubber band should really be relaxed, otherwise the possibility of breakage will be great. At the same time, all countries should re-examine and evaluate their domestic policies and formulate more reasonable rules of global governance to make the distribution of globalization more equitable and reasonable. As mentioned above, in recent years, as the economic strength of emerging countries such as China has risen steadily, the balance of world power has gradually become more balanced, and even has a tendency to tilt toward emerging countries. At present, globalization is at the stage of alternation of old and new forces, which indicates that the structure of globalization is changing and the new globalization map is being drawn.

Historical experience has repeatedly shown that every major crisis and historical event may become an opportunity for the adjustment of the global economic order. An increasingly complicated and complex world needs core concepts and development programs that keep pace with the times. Emerging economies can make full use of this opportunity, accurately judge the changing international economic situation, correctly handle complex international economic affairs, enhance their status and voice in the process of global economic governance, and actively take actions to lead global economic governance to a new stage. Taking China as an example, American international economic experts believe that, under Trump's leadership, the U.S. government is gradually losing its leading role in globalization, which is conducive to China's better integration into the international system as the world's largest exporter, and plays a greater role in formulating international rules (Freund, 2017).

Since the financial crisis in 2008, China's relations with the world have undergone historic changes. China is increasingly approaching the center of the world stage, its role in globalization is also changing from rule learner, follower and conformer to rule creator, leader and merger. The BRI is both the product and the carrier of this transformation.

Rodrick (1997: 3) once pointed out that there are only two ways for countries to cope with the impact of globalization: the first is “knee jerk type”, i.e. instinctively pursuing protectionist policies; the second is to seek a balance between openness and domestic needs. Faced with the opportunities and challenges of globalization, China has weighted the pros and cons and overcome the conflict of “knee jerk”. China's President Xi Jinping has demonstrated at many

public meetings that China is a firm supporter and promoter of economic globalization. In contrast, as the initiator and the biggest beneficiary of globalization, some Western countries have adopted the kneejerk conflict. Some politicians used the banner of “domestic priority”, “controlling the border” and “keep our jobs” to push all domestic contradictions to the result of globalization. In the face of the turbulence of de-globalization and counter-globalization, Xi (2017a) have pointed out that: “Whether you like it or not, the global economy is the big ocean that you cannot escape from. Any attempt to cut off the flow of capital, technologies, products, industries and people between economies, and channel the waters in the ocean back into isolated lakes and creeks is simply not possible. Indeed, it runs counter to the historical trend.”

China's role in globalization is not only reflected in the concept, but also in the action. The BRI is a major measure for China to guide economic globalization and advocate new types of global economic governance. The New York Times published that: The scale of BRI has few precedents in modern history. This initiative will use China's wealth and knowledge to create a new type of globalization that will reshape the world economic order while exempting Western-led aging rules (Perlez and Huang, 2017). At present, economic globalization is transforming and the power of global economic governance is alternating. At this time, the BRI proposed by China — the largest developing country in the world, can also be seen as a voice from the third world.

In recent years, the international situation has been tense and the gap between the North and the South has been increasing. The contradiction between developing and developed countries has further intensified. The trend of globalization has also been hindered and is becoming increasingly weak. Under this background, the international community's desire for “peace” is unprecedentedly strong. The proposal of the BRI is in line with this trend. The Chinese government has indicated that, the construction of BRI caters to the trend of world multi polarization, economic globalization and cultural diversity, aiming to maintain the global free trade system and open world economy on a global scale. It is in the interests of the international community to jointly build BRI, which is a positive effort to find new models of national cooperation and global governance (National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, 2015). It can be seen that the BRI is committed to injecting new vitality and development into economic globalization on the premise of peace and win-win.

3.2.3 The Realistic Needs of China's Development

We need to clearly realize that BRI is not pure altruism, its purpose is to satisfy China's own interests while achieving win-win results with other countries. At present, China's economy is highly integrated with the global economy. Its domestic economic development has encountered some problems: First, the volume of foreign exchange reserves is too large, but there is no suitable outlet in China. Foreign exchange reserves cannot be directly placed on the market, and there is no suitable domestic investment target. Second, some products have excess capacity, and domestic consumption space is relatively limited. Especially in the field of infrastructure construction, some industries have serious overcapacity, such as iron and steel, cement, coal, shipbuilding, solar energy and so on, while China's own railway, highway, infrastructure construction has been basically saturated. At the same time, foreign countries and regions in Southeast Asia and Central Asia, whose infrastructure construction level is relatively backward, need large-scale infrastructure transformation and construction. For example, Eastern Malaysia and Thailand are all building railways, while China is ahead of the world in the field of high-speed railway technology, which forms the complementary advantages of both sides, each taking its own needs.

In addition, the BRI also brings opportunities for industrial structure upgrading. As the initiator of it, China can learn industrial technology in the process of cooperation with European industrial countries and promote the upgrading of its manufacturing industry (Chen and Liu, 2016: 578). Generally speaking, most of the participating countries in the Belt and Road are facing complex development challenges such as the natural environment, resource utilization, industrial structure, etc. In order to better solve these problems, breakthroughs must be made in scientific and technological innovation and cooperation, which is in line with the needs of China and countries along the route. On this basis, China put forward the “One Belt and One Road” scientific and technological innovation action plan in 2017. This plan mainly includes four actions: carrying out technical humanities exchanges, establish joint laboratories, cooperation in science and technology parks, and technology transfer. Its main purpose is to create a new development model led by scientific and technological innovation, in this way, participating countries are encouraged and promoted to upgrade and transform their industries under the leadership of scientific and technological innovation.

The proposal of BRI is in line with China's development strategy and practically solves the practical problems in the domestic economic development. it's a mutually beneficial cooperation platform at the international level, includes a brand-new economic project

cooperation and win-win model, create cooperation in various fields such as capacity technology and culture education, Therefore, it will effectively promote technological reform and innovation in various fields in China, further promote the balance between urban and rural development, balance regional development, adjust economic and social development, and stabilize the imbalance between China's opening up and domestic development.

3.3 The Cooperation Framework and Progress of the BRI

The BRI is open to both developed and developing countries, it take the connection of infrastructure and docking of policy strategy as the core, through deepening bilateral and multilateral pragmatic cooperation among countries, it can promote coordinated and interactive development within and between regions, as well as between regions and the whole world. The construction of BRI is based on the principle of “Consultation, Contribution and Shared Benefits”, and takes the “Five Factors of Connectivity” as the focal point of cooperation to form a grand framework that covers the whole world.

3.3.1 Consultation, Contribution and Shared Benefits

After the BRI was put forward,, many people believe that their purpose is to unilaterally strengthen economic and trade cooperation between China and countries along the OBOR. This kind of cognition is obviously wrong. The cooperation in the BRI means not only the cooperation between China and the participating countries, but also the development and deepening of the cooperative relations between the participating countries. BRI is a joint development initiative rather than a foreign aid program. As the core concept of the BRI, “Consultation, Contribution and Shared Benefits” is not only contains the traditional spirit of the ancient Silk Road, but also reflects the China’s bold innovation and attempt of international cooperation in the new era environment.

(1) Consultation: “Everyone’s business, everyone’s discussion”. That is to say, jointly discussing project investment, whether it is a big country or a small country, it will be a potential participant in the BRI, and can actively contribute to the development of BRI according to its national conditions and actual needs. But everybody must never attempt to use the BRI development as an excuse to guide the development path of other countries. BRI adheres to the purposes and principles of the Charter of the United Nations. Adhere to the five principles of peaceful coexistence, namely, mutual respect for sovereignty and territorial integrity, non aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. The core of this concept is equality and voluntariness. In

this context, countries can better find common ground for development through consultation and dialogue, and promote the emergence of common interests.

In order to realize the concept of "Consultation", China strives to build an international platform and carrier for business negotiation. In May 2017, the first "One Belt and One Road" International Cooperation Summit Forum was successfully held in Beijing. The heads of state and government of 29 countries and 1600 representatives from more than 140 countries and more than 80 international organizations attended the forum. This forum has formed five categories, 76 items and 279 concrete achievements, all of which have been implemented up to this year (Xinhua, 2017a). In April 2019, the second "One Belt, One Road" International Cooperation Summit Forum was continued held in Beijing. The multilateral cooperation platform, investment projects and project lists, financing projects, and cooperation projects between Chinese and foreign local governments and enterprises established under the framework of this summit forum have a total of 283 categories in 6 categories (The Second Belt and Road Forum for International Cooperation, 2019). It can be seen that the summit forum is gradually deepening the links between countries and promoting multi-level trust. As the most important platform for dialogue under the framework of BRI, with the development of BRI, its impact will also continue to grow.

In addition, China has also hosted large-scale exhibitions such as the Silk Road Expo, China-ASEAN Expo, China-Asia-Europe Expo, China-Arab Expo, China-South Asia Expo, China-Northeast Asia Expo, China Western International Expo. They have become an important platform for China to cooperate with countries along the route. Through these platforms, opportunities and possibilities for consultation and cooperation among participating countries have greatly increased. On the basis of the existing international mechanism, the Belt and Road Initiative also makes full use of the existing multilateral cooperation mechanisms such as the G20, APEC, Shanghai Cooperation Organization, ASEM, World Economic Forum, Boao Forum for Asia. And actively cooperate with other countries in building a substantive docking and cooperation on the basis of mutual respect and mutual trust.

(2) Contribution: This concept is based on consultation. Sitting on the table is only the first stage. If countries want to ensure that they can get tangible benefits through the initiative, they must act. Contribution means that in the process of construction, all parties are equal participants, builders and contributors, as well as co-bearers of responsibilities and risks. But in the process, no country will be forced to become part of the BRI, also no country will be

excluded from the it. As an initiative without a real leading country, the essence of BRI is not a zero sum game.

At present, the concept of Contribution is mainly embodied in two aspects:

First, the Contribution of financing platform. Since the opening of the Asian Infrastructure Investment Bank initiated by China in 2016, it has played an increasingly important role in the international multilateral development system and has been widely trusted and recognized by the international community. By the end of 2018, the Asian Infrastructure Investment Bank had grown from its initial 57 founding members to 93 members from around the world. 35 projects have been approved, with a total approved loan of 7.5 billion US dollars, inciting other investments of nearly 716 million US dollars (Asian Infrastructure Investment Bank 2018). In addition, in November 2014, the Chinese government invested 40 billion US dollars to establish the Silk Road Fund. In May 2017, the Chinese government increased the capital of the Silk Road Fund by 100 billion RMB. As of the end of 2018, the Silk Road Fund (2018) agreed to invest about 11 billion US dollars, the actual amount of funds is about 7.7 billion US dollars, and invested 2 billion US dollars to set up the China-Kazakhstan capacity cooperation fund.

Second, the Contribution of infrastructure. As the priority area of the BRI, the infrastructure construction can be seen as the main content of cooperation among countries. In recent years, more than 130 bilateral and regional transport agreements have been signed between countries along the Belt and Road, covering rail, road, sea, air and postal services. Through 73 waterways and highway ports, 356 international road passenger and cargo transportation lines have been opened with relevant countries; maritime transportation services have covered all countries along the “Belt and Road”; Direct air flights were carried out with 43 countries along the route, with about 4200 flights per week (Xinhua, 2017b).

(3) Shared Benefits: That is to say, sharing the fruits of cooperation among all participating countries. This should be the basic policy orientation of all countries in dealing with international affairs. The concept of Shared Benefits regards all countries along the route as a “community of interests”. This means that in international cooperation, all countries always put principles before interests. This concept reflects precisely China's new views on international cooperation and development. The BRI will boost the formation of the consensus of “community of common destiny” and promote the dynamic and harmonious development of all parties.

In the process of building BRI, this concept has been fully reflected. The construction of the Kenya Monet Railway by Chinese companies not only saves half of the transportation cost and time between Mombasa and Nairobi, but also promotes the growth of Kenya's GDP by about 1.5%. It has created 46,000 jobs for the locality. More than 300 local enterprises have participated in the project subcontracting cooperation, which has greatly promoted the development of the local industry and also improved the lives of the Kenyan people (Liu, 2018). A study of Mckinsey&Co shows that: In the past 20 years, China has become Africa's most important economic partner. No country has such deep and extensive participation in Africa, whether in the areas of trade, investment, infrastructure financing or aid. Companies of all sizes and industries in China are bringing capital investment, management and entrepreneurial experience to every corner of the continent. The study also pointed out that 89% of the employees employed by Chinese companies are from Africa, which has created nearly 300,000 jobs for Africa (Jayaram, Kassiri & Yuan, 2017). The world bank's research shows that building the BRI will increase the GDP of the developing East Asian and Pacific countries on average by 2.6% to 3.9% (De Soyres, 2018: 2).

3.3.2 Five Factors of Connectivity

The cooperation framework of BRI can be summarized as “ Five Factors of Connectivity”. That is, policy coordination, facilitating connectivity, unimpeded trade, financial integration and bonds between peoples. They are both a goal and a measure of BRI progress. Seemingly independent from each other, but actually they are closely linked and mutually reinforcing.

(1) Policy coordination: There are many countries along the BRI, and the span is huge. The policies of various countries will inevitably be different. In this context, governments should strengthen cooperation, actively communicate, and jointly establish a macro-policy exchange mechanism. Ensure mutual and timely understanding of policy information and changes. Thus increase political mutual trust and jointly build cooperative consensus to maximize common interests. Since the key word of the BRI is cooperation, policy communication is the foundation of all projects.

By 2019, China has signed 187 cooperation documents on jointly building OBOR with 130 countries and 30 international organizations. Among them, China has signed a memorandum of cooperation under the framework of the “Belt and Road” with 37 countries, and initiated institutionalized capacity cooperation with more than 30 countries. And China's initiative has received support from the UN General Assembly, the Security Council, APEC, G20 and the

SCO (Belt and Road Portal, 2019). In essence, the field of professional cooperation in the BRI is also in an orderly manner. For example, in terms of infrastructure, Kazakhstan's bright road strategy and Mongolia's steppe road strategy are highly compatible with the BRI. Therefore, after the completion of strategic alignment, the infrastructure construction progress of Kazakhstan and Mongolia was greatly accelerated due to the adequate support of funds, technology and equipment, the development of the BRI has been promoted. In terms of technology and investment, the docking of the EU's Juncker plan and the BRI has brought broad space and opportunities for economic cooperation between China and Europe. At the same time, both China and the EU have received the strong financial support and active Market. In terms of international transportation, Egypt's Suez Canal Corridor Economic Belt and Turkey's Intermediate Corridor Plan have also produced a "catalytic" effect after the docking of the BRI. Most importantly, it brings not only cooperation opportunities between participating countries and China, but also the sharing of development opportunities among many countries along the route.

(2) Facilitating connectivity: China's 30-year reform and opening-up experience tells us that "if you want to be rich, you must build roads first". Infrastructure construction can help the country to achieve the "hematopoietic" function in development, that is to say, to provide energy and foundation for development. Therefore, infrastructure construction is regarded as the top priority in the construction of BRI. In terms of transportation, priority is given to improving the construction of missing road sections between participating countries, promoting port construction and creating an accessible transportation network. Achieve international transport facilitation. In terms of energy, the participating countries jointly maintain oil, natural gas and other transportation pipelines along the routes, actively build cross-border power networks, and promote cooperation in the upgrading and transformation of power grids. In terms of communication, the participating countries jointly promote the construction of cross-border communication networks, such as cross-border optical cables and other communication trunks. Perfect satellite channels to achieve timely and seamless information docking. This has a huge impact on trade, Because of faster delivery times and lower transportation costs mean more benefits and possibilities.

In recent years, China and the countries along the lines have opened a large number of cooperation in the fields of ports, railways, aviation, electricity and so on (Belt and Road Portal, 2019). At present, China's ports have established shipping links with more than 600 ports in more than 200 countries around the world, and the Maritime Interconnection Index

remains the number one in the world; On the railway side, the most outstanding performance is the “CHINA RAILWAY Express”. In 2011, the “CHINA RAILWAY Express” operated only 17 times a year, and the annual value of transported goods was less than 600 million US dollars. In 2018, the accumulative total number of trains was more than 12,000. The annual value of goods transported reached 16 billion US dollars, and the transportation cost dropped by 30%, reached 15 countries and 45 cities in Europe. The variety of goods has gradually expanded from single electronic products to daily necessities such as food and clothing; On the aviation side. China has signed bilateral intergovernmental air transport agreements with 126 countries and regions, adding 1239 new international routes with countries along the route, accounting for 69.1% of the total number of new international routes opened. On the energy side, China has started construction of more than 10 power stations in Pakistan, which will thoroughly solve the historical predicament of power shortage and power limitation in Pakistan.

(3) Unimpeded trade: To achieve investment and trade facilitation, the primary objective is to eliminate barriers to investment and trade and gradually reduce customs clearance costs and time. Participating countries are encouraged to jointly seek new trade growth points and deepen cooperation in emerging industries.

With the progress of the BRI, China's trade with countries along the route has become more frequent and the scale of trade has gradually increased. According to statistics, from 2013 to 2018, the total import and export volume of China and the countries along the Belt and Road has reached 6,469.19 billion US dollars. Eighty-two overseas economic and trade cooperation and trade zones have been built, with foreign direct investment exceeding \$80 billion, created 244,000 local jobs (Belt and Road Portal, 2019).

(4) Financial integration: In the process of BRI construction, participating countries jointly promote the construction of AIIB and BRICs Development Bank, expand the scale and quantity of currency settlement between countries along the line, encourage qualified private and enterprises to participate in Bri financing, and carry out further multilateral financial cooperation through loans or credits. In addition, companies, governments and financial institutions with good credit can issue RMB bonds in China. Similarly, qualified Chinese enterprises and financial institutions can also issue RMB or foreign currency bonds overseas. Financial integration has a vital impact on the construction of BRI, by deepening financial

cooperation, can eventually establish a stable system of Asian currencies and improve the investment and credit systems.

In recent years, with the continuous development of BRI investment and financing system, the development and policy financial support has continued to increase. By the end of 2018, the members of Asia Investment Bank had reached 93, which 60% are member states of BRI. Since Silk Road Fund was invested 100 billion yuan in 2017, about 19 projects have been signed. The RMB cross-border payment system covers 40 countries and 165 banks. Among them, 24 countries have established 102 Chinese banks and other institutions (Belt and Road Portal, 2019).

(5) Bonds between peoples: The “Bonds between peoples means “communication, mutual understanding and recognition of the goals, ideas, feelings and civilizations of different countries along One Belt and One Road” (Guo and Jiang, 2015).

As mentioned above, the BRI is not only aimed at economic aspects, but also includes cooperation and exchanges in culture, education, scientific and technological innovation etc... The projects of BRI are complex and often involve significant interests. If we do not fully understand each other, it will inevitably lead to misunderstanding and even conflict. The “Bonds between peoples” is put forward in response to this issue.

With the development of BRI, communication between countries has been significantly enhanced, not only at the government level, but also at the level of people's livelihood. In 2017, tourism exchanges between BRI participating countries and China reached 60 million times. The number of inbound and outbound tourists increased by 2.6 times and 2.3 times respectively compared with 2012. As of 2018, China has established 1023 pairs friendly cities with 61 participating countries, accounting for 40.18% of China's total number of foreign friendly cities. In addition, there are currently 173 Confucius Institutes and 184 Confucius Classrooms in the countries along the Belt and Road (Belt and Road Portal, 2019).

3.4 Summary

BRI is a new development initiative based on the Ancient Silk Road. It not only contains the ancient Chinese wisdom, but also shows to the world China's pioneering spirit of innovation in the new era. It inherits the spirit of the ancient Silk At such same time, a new concept of jointly building a community of shared interests, shared responsibility and shared destiny based on “Five Factors of Connectivity” is put forward. After the end of the cold war, the

bipolar structure was broken, and the western countries dominated by the United States gradually occupied the central position of the international community and led the process of globalization. But in recent years, the mode of globalization led by western countries is gradually weakening. With the rise of a number of emerging countries, the center of the world has gradually shifted. With the growing strength of Developing countries and highly integrated with the world, developing countries are eager for a more equitable global governance environment. The BRI came into being, injected new vitality into the international community, successfully promoted the common development of countries along the route and provided more opportunities.

Chapter IV Contributions of the BRI to Global Economic Governance

“Love is wise, hatred is foolish. In this world which is getting more and more closely interconnected, we have to learn to tolerate each other, we have to learn to put up with the fact that some people say things that we don’t like. We can only live together in that way — and if we are to live together and not die together, we must learn a kind of charity and a kind of tolerance, which is absolutely vital to the continuation of human life on this planet.”

——Bertrand Russell

As discussed above, with the acceleration of economic globalization, there is a stronger demand for global economic governance. However, the former global governance system, which is dominated by developed countries such as the United States and centered on multilateral mechanisms such as WTO and IMF, can no longer meet this demand, which leads to the increasingly serious global problems caused by economic globalization. In order to adapt to the trend of globalization and avoid the problem of globalization, the global economic governance system must be reformed and improved. But how to reform? Push over to do it again or adjust it slightly? The former is too expensive and unrealistic, the latter is difficult to solve the problems accumulated over the years, so moderate adjustment should be a feasible goal. In recent years, as the issue of global economic governance has become more acute, the voices of countries based on their own positions have also produced many differences. In this context, the BRI, which contains the oriental wisdom of “a gentleman seeks harmony but not uniformity”, complements existing global economic governance from both practical and ideological levels.

4.1 Perfecting Infrastructure Construction, Promote Economic Development

Economic development has always been an important goal in global economic governance. However, after the international financial crisis, world economic development has fallen into an overall recession. When talking about economic growth, the World Bank (2019b) and the IMF (2019) respectively describe the current situation with terms of “Soften” and “Sluggish”. In the “World Economic Outlook report”, the IMF (2019) also pointed out that: The global technology supply chain is inevitably affected by frequent sanctions from the United States. The related uncertainties brought by BRIXT continue to affect geopolitical tensions, leading to a negative situation in global energy prices. According to the “World Investment Report

2019” released by UNCTAD (2019c), as the largest economy of foreign capital inflow in 2018, US investment inflows in 2018 were \$252 billion, but it is on a downward trend compared to 2017. At the same time, the United States failed to enter the top 20 outward-investing economies in 2018. Foreign direct investment into developed economies reached its lowest point since 2004, a drop of 27%. Take the developed countries as a whole, its foreign direct investment fell by 40% to 558 billion US dollars. In the global foreign direct investment, the share of developed countries also fell to the lowest point in history. In the face of the increasingly turbulent world economic situation, the strong western development engine has finally shown its fatigue. By comparison, China's foreign capital inflows in 2018 were 139 billion US dollars, ranked second in the world. Compared with 2017, it shows an upward trend. Foreign investment also ranked second, reached \$130 billion. In fact, China has been the biggest contributor to world economic growth for many years. “From 2013 to 2018, the average annual figure climbed to 28.1 percent, ranking first place globally” (Xinhua, 2019).

As the main engine of the world economy, China has never stopped releasing its growth dividend. The BRI is another positive attempt by China, it takes infrastructure construction as its main content and takes the development of countries along the route as an important goal to provide strong support for the world economy. As a guiding text for global economic governance and the development of national economies, the “Transforming our world: the 2030 Agenda for Sustainable Development” special emphasis on the supportive and nurturing role of infrastructure for development. It pointed out that: “Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all” (UN, 2015). The BRI provides new ideas to promote global economic development by perfecting the infrastructure construction of the region and the country along the route:

On the one hand, it can stimulate the internal development potential of the countries. BRI runs through Asia, Europe and Africa, linking the dynamic East Asian economic circle with the developed European economic circle, including a large number of countries with great economic development potential. However, most of these countries with great development potential exist in the corners of being forgotten, neglected or ignored in the process of globalization. In these corners, some countries fight alone without opportunities and platforms for cooperation, some countries lack financial support, some countries lack corresponding

technical guidance, and some countries lack demand because of narrow market. Now the BRI brings facilities connectivity, docking cooperation, financing opportunities, innovative technology and broad market to meet the needs of these countries and promote their economic development. In 2016, the international market demand was weak. The total import and export volume of China and the countries along the BRI achieved positive growth, reaching 6.3 trillion yuan. From 2013 to 2018, the total trade volume of goods between China and the countries along the route exceeded 6 trillion US dollars, and the direct investment was about 90 billion US dollars (Belt and Road Portal, 2019). China is transmitting its economic vitality to countries and regions along the route through the BRI and activating their development potential. According to McKinsey's forecast, if the infrastructure hardware and software of countries along the Silk Road are successfully implemented, BRI countries will account for 80% of GDP growth by 2050 and bring 3 billion middle-class consumers to the world (Barton, 2015).

On the other hand, BRI can also strengthen economic and trade connectivity between countries along the route and promote inter-regional economic and trade cooperation through interconnected infrastructure construction. The hinterland of the Eurasian continent is the marginal zone of globalization dominated by the West and the low-lying zone of world economic development. and the demand for infrastructure is very large. However, there has been little interest in foreign investment and intra-regional investment for a long time. In recent years, there has been a strong contrast between the degree of economic dependence and the degree of infrastructure connectivity between Asian and Asia-Europe countries. The first step of the BRI is to integrate regional and global economic resources through the integration of infrastructure, and promote the free flow of funds, technology, logistics, humanities and other elements, thereby greatly improving the efficiency of resource allocation and forming a more efficient global industrial chain, value chain and supply chain. Especially in the early stage of construction, facility interconnection is the first step of cooperation. The successful experience of China's rapid development is “Build a road first if you want to get rich.” The construction of BRI takes “jointly promote the construction of international backbone channels, and gradually form an infrastructure network linking Asian sub regions and Eurasian and African countries” as a development goal. It is clear that the building projects of roads, bridges, ports, water conservancy, electricity, energy and pipeline is a breakthrough, aims at eliminating the obstacles and fortresses that restrict the deepening of regional cooperation, so as to bring the underdeveloped countries and regions along the route into the

tide of regional economic cooperation and globalization. The special report issued by the UNDP (2016) divides the construction of the economic corridor along the BRI into four phases: The first phase is the construction of infrastructure mainly to reduce logistics costs; the second phase is to expand infrastructure to housing, social services, small and medium-sized enterprise development and other broader areas; the third stage is to strengthen interconnection and trade facilitation at the regional level; the fourth stage is to achieve regional integration, including financial integration and people-to-people communication. By the fourth stage, the construction of economic corridors will produce positive spillover benefits and benefit the general public.

In addition, during the construction of the project, it will also stimulate the demand for related supporting industries. More importantly, after the completion of the project, the improved infrastructure and convenient transportation conditions can greatly enhance transport capacity, guarantee and speed up logistics, thus providing demand gravity and transportation conditions for the development of foreign trade in relevant countries. This will undoubtedly create an open and export channel for more and more countries along the route. It also serves as a fast propeller for landlocked developing countries to integrate into globalization and integration, and become a strong shot for the weak domestic economy. Here we can take Kazakhstan as an example. In reality, Kazakhstan does not have a seaport, but in 2014, the Lianyungang Sino-Kazakhstan International Logistics Base was officially completed, which means that Kazakhstan, the world's largest landlocked country, is closely linked to the Pacific Ocean, and with the continuous construction of the BRI, there are now 6 railways and 11 highways crossing Kazakhstan. In this context, Kazakhstan is committed to changing from a “landlocked” country to a “land-based” country with the help of Lianyungang port, and acting as a land bridge between Asia and Europe (Chu, 2017). This means that not only Kazakhstan's goods and resources have opened up channels for export, but a large number of products from China, South Korea, Japan and other countries will also enrich the market in Kazakhstan.

At last, many countries along the BRI eager to get rid of the single development model that relies on agriculture and resources, and hope to carry out industrial upgrading to achieve industrialization. Infrastructure construction can be seen as an effort in this regard. At present, more than 80 industrial cooperation parks and free trade cooperation zones have been established in the countries along the BRI. And on this basis, since the construction of the BRI, China has signed 46 scientific and technological cooperation agreements with countries along the route; China-ASEAN, China-South Asia and other technology partnership programs

has been launched; 5 joint ventures with ASEAN, South Asia, Arab countries, Central Asia and Central and Eastern Europe has been established; the BRI international scientific organization alliance has been initiated and established. At the same time, with the deepening of exchanges between partner countries, a multi-level and diversified mechanism for scientific and technological and humanistic exchanges has gradually been formed. In 2018, China received 500 young scientists from countries along the route for scientific research and trained more than 1200 scientific and technological managers, including high-end technologies such as aerospace and satellite communication systems (Belt and Road Portal, 2019).

To sum up, BRI is actually an opportunity, which promotes effective connectivity among regions, improves the global trade cooperation environment, substantially makes reasonable resource allocation and effective supply, generates new demand on this basis, and finally achieves the goal of balancing the development of the world economy. In this context, BRI provides an opportunity for countries and regions along the line to develop towards the ideal state of regional connectivity and “integrated development”, which helps to complement each other’s strengths, establish a specialized division of labor system, and improve labor productivity, so as to promote healthy, orderly and strong growth of the global economy. For the vast number of countries in the periphery of the world, with the rise of economic strength, they will also have more voice in global economic governance, and promote the development of global economic governance towards a more equitable and diversified state.

4.2 From Blood Transfusion to Hematopoiesis, Break Development Bottleneck and Bring Opportunities to Developing Countries

Western aid subjects believe that poverty in developing countries stems from backward systems. Therefore, while the West is carrying out economic assistance, it often requires political conditions to try to promote democracy and justice through institutional reforms and promote economic growth through institutional guarantees. However, in the practice of implementation, the results are not satisfactory. The fundamental reason is that the Western path do not conform to the national conditions of the recipient countries. Undoubtedly, the amount of funds and manpower that Western international aid has invested in is huge. During the Millennium Development Goals, the amount of official development assistance provided by developed countries increased from 66 billion U.S. dollars in 2000 to 135.2 billion U.S. dollars in 2014, an increase of 66%. In 1996, the Heavily Indebted Poor Countries (HIPC) plan of the WB and the IMF was implemented. There are 38 eligible countries, including 32

African countries, accounting for 84.2%. After 20 years of major aid investment, according to the world bank's 2016 annual report data, Africa's economic growth in 2015 fell to 3% from 4.5% in the previous year, the lowest since 2009. In addition, according to the 2016 Human Development Report of UNDP and the World Development Report of World Bank, Africa's development indicators are far below the world average. In other words, Africa's economic and social development has not improved with the increase of aid, but the gap with other regions has become larger. I believe that developed countries' assistance to developing countries is more like blood transfusion. For example, after the global financial crisis in 2008, Africa's economy was impacted, and its economic vulnerability was exposed. The main response of western countries is to increase capital investment again. As a means of emergency, the aid effect of this kind of direct blood transfusion behavior can be seen immediately, but its follow-up effect will continue to weaken.

According to Lin (2017), the reason why the past development aid has not been effective is that the aid countries always use their own experience as a reference to design aid projects, and the early aid attempts to help developing countries establish the same modern industries as developed countries. Later, it focused on helping developing countries to establish the same modern market system as developed countries. After the failure of these two efforts, development assistance turned to focus on education, health and other humanitarian assistance. None of these development assistance can really help developing countries realize the transformation and upgrading of sustainable and competitive industrial and technological structure, and it can also do little to create employment and reduce poverty. In contrast, after entering the 21st century, the paid and free development cooperation provided by China and other emerging market economies can more effectively help other developing countries to carry out structural transformation and upgrading, economic development, develop economy, create employment and eliminate poverty according to their factor endowments and comparative advantages. In other words, investors or donors should first know what developing countries have (i.e. their factor endowments), and then analyze what they can do well (i.e. their comparative advantages), and finally help developing countries overcome their development bottlenecks. In contrast, this model is more like hematopoiesis, that is, to help developing countries acquire the ability of self-development. In this regard, BRI has already made some achievements in Africa.

As we all know, the African continent has a vast area, abundant resources and labor force, its development potential is huge, which is its factor endowment and comparative advantage. But

in terms of historical facts, Africa's industrialization process is full of twists and turns, which is a dream that far from being realized. On this basis, its economic development can not meet the needs of a large population, and the serious deficit of infrastructure makes Africa's potential unable to be converted into strength, which has become a bottleneck hindering its development. But the construction of BRI in Africa is making full use of its comparative advantages. The new skeleton of development is composing by railway, port, industrial park and other hard infrastructure, which brings new opportunities to Africa.

The African Development Bank (2019) estimates that between \$130 billion and \$170 billion are needed annually in the field of infrastructure, which is only the minimum funding requirement for countries to maintain economic, demographic, income level growth and upgrade old infrastructures. Nevertheless, Africa's infrastructure construction still faces a gap of about US \$68 billion to US \$108 billion per year. According to Deloitte (2018) statistics, from 2012 to 2016, China provided an average annual infrastructure financing of US \$11.5 billion to Africa, reached a maximum of 20.9 billion in 2015. Moreover, most of the Chinese loans are discount loans, with low interest rates and loan terms of 15 years or more. So far, China has participated in more than 200 infrastructure projects in Africa. Chinese enterprises have built about 30000 kilometers of expressways, about 2000 kilometers of railways, about 85 million tons of port throughput per year, over 9 million tons of water treatment capacity per day, about 20000 megawatts of power generation, and more than 30000 kilometers of power transmission and transformation lines in Africa.

In addition, the report released by Deloitte (2018) also shows the five benefits of BRI infrastructure construction for Africa:

1. Improve transportation and logistics. The BRI can build an economic corridor for sea, land and air transport lines, and boost Africa's interconnection of inland, hinterland and coastal areas, enhance logistics efficiency and export capacity in Africa, reduce transport costs and improve turnover efficiency, thereby promoting the process of African integration.
2. Promote intraregional and Global trade. According to the report, improving cross-border railway transport capacity and cross-border railway network can strengthen Africa's internal trade, attract more investment, open up the value chain of Africa's regional trade and Global trade, and help Africa integrate into the global trade and supply network.
3. Help Africa attract foreign investment. The BRI can help reduce the cost of cross-border transportation by linking Africa's hinterland and ports, and promote the manufacturing

industry to attract more foreign investment, which is expected to boost foreign direct investment in Africa by 7.4%.

4. Technology transfer and spillover effects. The capital and technology provided by Chinese companies create opportunities for African industries and manufacturing industries, and promote resource and commodity export-oriented economies to improve their position in the global value chain.
5. Improve the soft environment for investment in Africa. The industrial parks and economic cooperation zones established under the BRI have promoted local employment, created export revenues and stimulated economic growth, thus greatly improving the local investment environment.

From these benefits, we can see that the operation mode of BRI in Africa is to release the development potential through the connectivity of transport infrastructure, create revenue and improve international competitiveness through industrial parks. This mode of “road + park” is gradually becoming the hematopoietic organ of African economy.

The Ethiopia-Djibouti railway is the first electrified railway in East Africa, which is constructed with Chinese standards and Chinese equipment, with a total length of 751.7 km, a design speed of 120 km / h, and a total of 45 stations, with a total investment of about 4 billion US dollars. Djibouti is a country in the east of Africa. Its area and young population is relatively small, but its economic position is strong. More importantly, Djibouti has great development ambitions. It is committed to developing into a regional logistics center and becoming Dubai or Singapore in Africa. To achieve this goal, it is necessary to establish a new railway to connect with Ethiopia. Ethiopia is a big country in Africa, the second largest market in Africa, one of the 19 member countries of Comsea, covering more than 400 million people. Ethiopia is also a political power in Africa. More than 60 international organizations such as the African Union and the United Nations Economic Commission for Africa have settled in Ethiopia, so Addis Ababa is known as the political capital of Africa. Its economy is also full of vitality, but Ethiopia, as a landlocked country, 90% of its foreign trade is conducted through Djibouti port. In the early 20th century, the meter gauge railway built by French colonists was in disrepair and almost abandoned. In this context, the road transportation from Djibouti to Addis Ababa will not only take about a week, but also be overcrowded, costly and seriously polluted. Therefore, the economic benefit of the reconstruction of Ethiopia-Djibouti railway is very obvious. Its indirect benefits include boosting export growth, (improving cross-border transport efficiency with Ethiopia),

improving the environment (greatly reducing vehicle exhaust emissions and road maintenance) and saving transportation time (after the completion of the railway, the original three-day road journey is shortened to 12 hours). According to statistics, its direct economic benefits in the first year of operation, i.e. 2016, are US \$3.63814 billion in net liabilities, US \$31.2 million in net income in 2017, US \$71.8 million in net income in 2018. In terms of macro-economic benefits, it is preliminarily estimated that this railway will increase the economic growth of Ethiopia by more than 2 percentage points (Belt and Road Portal, 2019). From January to July 2019, the Ethiopian-Djibouti Railway Company received more than \$20 million in revenue from freight and passenger train services, including freight revenues of \$1,990,000, passenger revenues of \$537,400, and passenger trains of 39,000. Passenger. At present, 900 Ethiopians and 250 Djibouti people work on this railway. Chinese ambassador to Ethiopian Tan Jian said that: “We see this railway not only as a line of transportation, it is the artery, it is the life line and the economic corridor. This railway is related to your industrialization and to your development” (New Business Ethiopia, 2019).

In addition, as an important economic lifeline in Ethiopia, nine of the 15 industrial parks in Ethiopia are located along this railway. In the Adama Industrial Park, Sunshine Wool Textile Co., Ltd. is one of the Chinese companies that have settled in the Industrial Park. The company exports products worth US\$10 million a year and expects to increase its export value to US\$50 million in the coming year. In the future, Sunshine is expected to invest 980 million US dollars in two phases. At present, the company has created 2,000 jobs for the local area. It is estimated that after the first phase of investment is completed, the number of jobs will reach 7,000 (New Business Ethiopia, 2019).

4.3 Building a New Financial Platform for World Economic Governance

Today, global economic governance requires not only the management of economic activities such as trade, investment and financing, but also the governance of the global economic governance rules system. The BRI is a major achievement of China's innovation in the global economic governance rules system in the fields of international production, currency, investment, trade and finance. It has played an important role in promoting the transformation and improvement of the global economic governance system and stabilizing the world economic order (Boughton, Lombardi, & Malkin, 2017: 33).

4.3.1 The BRI Promotes the Internationalization of RMB and Improves the International Monetary System

Currency is the basis of capital flow and circulation. Similarly, the international monetary system also plays a fundamental role in the global economic rule system. In the promotion of international monetary diversification and the maintenance of a new era of international financial order, the ongoing internationalization of the renminbi is a key link. The construction of BRI has further promoted the internationalization process of RMB through expanding the scale of foreign direct investment and trade. From the gold standard to the dollar standard, currencies of all countries were pegged to the floating of dollar, and the dollar successfully stabilized the post-war international financial order. However, with the outbreak of the financial crisis in 2008, the United States issued more dollars for its own economic interests, led to the intermittent depreciation of the United States dollar and the shrinking of the United States Treasury bonds, which affected other countries to pay for it, and eventually caused another global financial shock. Against this background, the monetary system with the dollar as its core urgently needs to be reformed.

With the vigorous development of China's economy and deepening reform of the economic system, the RMB exchange rate is relatively stable, basically having the foundation of currency internationalization. Especially since the development of the BRI construction, the scale of RMB flow, cross-border settlement, domestic and foreign direct investment, securities and infrastructure investment has reached a new stage. On this basis, promoting the internationalization of the renminbi can directly reduce the cost of projects, transactions and foreign exchange risks, and maintain the safety of international trade and investment and financing. On November 30, 2015, the IMF announced that the RMB would be included in the SDR basket which marked a new breakthrough in the internationalization of the RMB and the reform of the international monetary system. Currently, more than 60 countries around the world have incorporated the RMB into their official reserves. According to latest statistics published by SWIFT (2019), as of August 2019, the share of RMB in international payment currencies was 2.22%, which was the fifth largest payment currency in the world after the US dollar, the euro, the pound and the Japanese yen. “Globally, there are 2,214 financial institutions using the RMB for payments in July 2019. This represented an increase of 11.31% as compared to two years ago.”

In addition, the promotion of the internationalization of the renminbi not only can enhance the inclusiveness of the global financial governance system and “force” major international monetary issuing countries to adopt more responsible monetary policies to maintain global financial stability, but also can help to weaken the global liquidity surplus of the US dollar and the adverse effects of the previous US dollar asymmetry interdependence, including global economic imbalances in economic development, trade rules, and financial order. Despite international support for encouraging the diversification of currencies, currencies in the international market are still dominated by the US dollar. The internationalization of the renminbi is a good solution to solve the problems of weak growth, unbalanced growth and disordered financial order.

4.3.2 The BRI Builds a New International Financial Platform and Improving the International Financing System

Relying on AIIB and Silk Road Fund, the BRI has already made some achievements in building a fair and rational new international financial order. The development of the economy in developing countries needs to start from the most basic poverty eradication, infrastructure construction and industrial chain building. They also need to deal with threats such as terrorism and climate change, the demand for funds is huge. The AIIB and Silk Road Fund which established in this context will undoubtedly provide financial assistance. As a non-political financial institution advocated by China and built by all participating countries, the two aim to strengthen global and regional connectivity, build a common spirit of partnership and promote more economic and social development in more countries.

The AIIB is an international financial institution specializing in the financing of transportation, railway, energy and water related infrastructure. Its management system consists of a board of governors, a board of directors, a senior management team and a international advisory panel. At present, the approved members of the AIIB has reached 100, spread across 5 continents, with a widespread representation.⁷ In addition, during the creation process of AIIB, the experiences of the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and other multilateral institutions have been widely absorbed, and on the basis of which, a more inclusive governance plan has been put forward, paying more attention to the demand of less developed members. Especially on the basis of initial statutory equity, special fund projects have been set up mainly to help low-income

⁷ Data source: <https://www.aiib.org/en/about-aiib/governance/index.html#structure>

member countries. On the other hand, they are also an important complement to existing institutions and systems. The two are not substitutes, although there is a competitive relationship, but there is also have a broad space for their cooperation. For example, in 2017, the AIIB and the World Bank Group International Finance Corporation (IFC) entered into a partnership to invest in the Asia Emerging Market Fund (IFC Emerging Asia Fund), which aims to provide private investors with opportunities to participate in the investment of emerging markets in Asia. This is also an important attempt by the AIIB to promote private equity investment through joint financing in addition to providing direct loans to member countries.

In contrast, the Silk Road Fund is a private private fund, but it is sponsored by the Chinese government. Its main role is to guide private capital to invest rationally and to develop new financing channels for the construction of BRI. The Silk Road Fund consists of a board of directors (led by the Ministry of Foreign Affairs, the Development and Reform Commission, the Ministry of Finance and the Ministry of Commerce), a board of supervisors (supervised in collaboration with relevant companies and banks), committees and staff. At this stage, there are also special departments for investment in Sino-Kazakh capacity cooperation projects, which provide infrastructure investment, financing and loans to the European, Asian and African economic zones. Generally speaking, the establishment of AIIB and Silk Road Fund under the BRI cooperation framework marks a brand-new, truly global-oriented (currently more emphasis on developing countries and emerging economies) financing system has taken shape.

4.4 Promoting Diversification of Governance Subjects

As the most active factor in global economic governance, the state is a “problem maker,” but it is also a problem finder and solver. At present, EMDs have become the new driving force and new engine of world economic development, and the pattern of global economic governance is gradually developing towards “de centralization” and “governance power equalization” (UNDP, 2015: 11). It is in the effective promotion of EMDs that the world economic recovery has been so rapid. In this context, the BRI conforms to historical trends and emphasizes the subject status of EMDs. There are a large number of countries along the BRI, which differ greatly in their development level, economic scale, cultural customs and so on, therefore, the construction of BRI has rich diversity. More importantly, most of the countries along the route are developing countries, the BRI provides a platform for EMDs to

participate in cooperative governance on an equal footing. The per capita GDP of the countries along the BRI is only 42.3% of the global average, while the average GDP of 27 middle and lower income countries is only 18.3% of the global average. On the other hand, the countries of the South also have great potential for development. In 2016, the world economy grew by 3.2%, of which developed countries grew by 1.9%, EMDs grew by 4.1%, and have maintained a growth rate of more than 4% for many years (UNDP, 2017a). In the 2013 Human Development report of UNDP said that: “The rise of the South is unprecedented in its speed and scale; Never in history have the living conditions and prospects of so many people changed so dramatically and so fast.” The BRI links the world’s largest developing countries and the most concentrated regions of developing countries, makes developing countries become an important part of international development cooperation, breaks the monism model of development cooperation dominated by western and adapts to the change of international power distribution.

First of all, the BRI framework, as a new platform for multilateral cooperation governance, has reconstructed the network relationships among the subjects of global economic governance. It not only contributes to the cooperation between emerging governance subjects, but also promotes development cooperation between old and new governance centers. Taking the G20 as an example, when the economic crisis broke out in 2008, the G7 which fell into a dilemma had to use the power of emerging countries to get out of the crisis. In this context, the G20 has formally entered the international arena and attracted wide attention. From G7 to G20 also marks an important step in the democratization of global governance, which enables the emerging economies of the world to have a voice and greater representation (UNDP, 2015: 19). However, with the impact of the economic crisis gradually subsiding, the G7 composed of developed countries believes that the G20 is only a short-term expedient to address the crisis to deal with the financial crisis. By contrast, the non-G7 members of the G20 believe that the G20 should transform from a crisis response mechanism to a long-term governance mechanism. “These countries favoured the formal, universal, treaty-based international institutions as the most legitimate decision-making bodies, and viewed the G20 as a stepping stone to reform giving emerging markets an influence within them that matched their growing importance in the global economy.” This G7+13 situation has made the G20 unable to cope with the increasingly serious international situation and problems, and the disease of inefficiency and even failure has gradually emerged (Subacchi and Pickford, 2015). A reform which is promoted by developing countries for more representative and legitimate is

imperative for G20. In this regard, as the largest developing country, China's efforts are duty-bound.

Taking the “Hangzhou G20 summit” as an example, with the establishment of many mechanisms such as the BRI, and the AIIB, the international influence of non western countries is growing, and emerging countries have become the key participants in shaping the global economic system. The both BRI and the “Hangzhou G20 summit” highlight the wishes and aspirations of developing countries. Unlike previous emphasis on aid to developing countries, the G20 summit held in 2016 paid more attention to the partnership between developing countries and developed countries. The theme of summit is “Toward an Innovative, Invigorated, Interconnected and Inclusive World Economy.” At the summit, the G20 Member States jointly drafted the collective action plan of the “Agenda for Sustainable Development 2030” for the first time, aiming at achieving the common development of all mankind without any left behind. In order to achieve this goal, G20 should attach importance to the needs of developing countries at the global level, support and promote scientific and technological innovation, enhance experience exchange and information platform construction, enhance the potential economic growth power and speed up development. It also should promote reform of the global financial system and achieve economic rebalancing so as to reduce the income gap between countries, especially developing and developed countries. And these ideas and purposes exactly are important factors that constitute the guiding framework of BRI, the Chinese foreign minister Wang Yi believes that: G20 is an important platform for global economic governance, and BRI is the most influential and largest initiative in the contemporary world. Although they have some differences in form and content, their concepts and goals have many similarities and connections.

In addition, the basic principles of “Consultation, Contribution and Shared Benefits” established by the BRI provide protection for multiple governance and equal participation. The BRI is a new model of mutual benefit and win-win cooperation based on respect for the sovereignty of all countries. It does not impose ideology and additional conditions, but follows the principle of voluntary mutual benefit and builds a pattern of consultation and governance. The “Policy coordination” in the “Five Factors of Connectivity” is not only the policy docking, but also the process of consultation and consensus building. “Communication” gives equal status to all parties, based on voluntariness, participants have autonomy, and full

cooperation space and flexibility. “bones between peoples” is a process of bottom-up communication, seeking common ground while reserving differences, and building development consensus. BRI is a consultative development initiative. Participating countries can jointly create soft and hard conditions for development through the formation of development consensus, so as to achieve common development. As far as the cooperation mechanism is concerned, the BRI is different from the traditional global economic governance. Instead of taking the old path of “system first and commitment first”, it takes concrete cooperation projects as a way to push ahead with a pragmatic path of “project first” and avoids the pressure of the relevant parties on “opening commitments”, which is of particular significance for developing countries (Ministry of International Cooperation, 2019).

Moreover, the international cooperation of BRI has also introduced enterprises, social organizations and even individuals along various countries along the route, so as to truly realize the participation of multiple subjects. The BRI encourages both public and private investment, financing through various tools and mechanisms such as public-private partnership (PPP) and mixed financing, thus forming a multi financing and PPP mode, which not only complements official aid and development cooperation, but also enables the private sector to participate actively and effectively in global governance, finally forming a public-private partnership in global governance. At present, PPP modes are mainly used in infrastructure and public services, which can combine government and social capital to give full play to the comparative advantages of both sides. For example, the government is mainly responsible for the formulation of policies and the quality of supervision, while social capital is mainly responsible for the investment, financing, construction, operation and maintenance of projects, thus supplementing public financial capacity and improving the efficiency of public goods supply. With the development of BRI, this mode shows its characteristics of “Sharing both risks and benefits”, which highly in line with the spirit advocated by BRI, therefore, it is applied to more and more specific projects. In the “Asian Infrastructure Financing 2019”, the AIIB (2019) has also clearly prioritized the mobilization of private investment in infrastructure, pointing out that it will provide greater support for social capital in terms of project preparation and risk prevention.

4.5 Summary

At present, driven by the new changes in the global economic pattern, the new technological revolution, the anti-globalization voice of developed economies and the occasional factors

such as the financial crisis, global economic governance is in a period of accelerated change. In this process, the Democratic deficit, Responsibility deficit and Utility deficit faced by global economic governance have become more prominent, and higher requirements have been put forward for global economic governance actions of all countries in the world. Against this background, BRI promotes world economic development with practical actions, builds inclusive and equal cooperation and financial platform, enhances the discourse power of developing countries and promotes the diversification of global economic governance. The concept of Consultation, Contribution and Shared Benefits advocated by BRI and the Five Factors of Connectivity policy implemented by it are not only conducive to building an open, tolerance and balance economic globalization, but also the fundamental way to get rid of the dilemma of global economic governance.

Chapter V Prospect: Risks and Challenges to BRI

“It is impossible to win the great prizes in life without running risks.”

——Theodore Roosevelt, 26th U.S. President

It is a great task for all countries to work together to build BRI. It is not an easy job and impossible to accomplish overnight. As a supplement to the global governance mechanism, the BRI itself also has its shortcomings and deficiencies. This requires builders to establish spiritual preparations for a protracted war, constantly improve regulations and measures, and prepare to deal with all kinds of predictable and unpredictable risks. And as a process of exploring a new mode of cooperation, this experience itself can also be regarded as a valuable asset. However, the devil is in the details. In the process of promoting the BRI, builders should also pay attention to the following risks.

5.1 Economic Risk

The first risk faced by the BRI is that a lot of investment and effort may not be able to get the corresponding return. In the early stage of BRI construction, the main area is infrastructure. As we all know, infrastructure investment requires a lot of time and money, but its return rate is relatively low. Especially for individuals or private enterprises, as the group that pursues the maximization of interests, this kind of risk will largely discourage their investment enthusiasm.

It is undeniable that the construction of infrastructure can indeed break the development bottleneck of a region or country and promote economic development. China is the best example. In the past few decades, China has entered a period of rapid development through infrastructure construction, its degree of industrialization has also changed with each passing day. It only took 30 years for China to grow from a poor country in the early days of its founding to the world's second largest economy. The best way to sum up this process is “If you want to rich, first build roads.” However, the spillover effect and development of infrastructure are based on the macro level. For investors, first of all, the increased economic benefits of the surrounding areas of infrastructure can not bring them direct benefits. Second, it is difficult to implement the behavior of making profits through infrastructure itself, especially in developing countries. For example, a Chinese company invested in a railway in Vietnam and brought benefits to surrounding villages. But when this Chinese enterprise

proposes to share the income right of the surrounding areas in order to speed up the capital return, will it arouse the public's resistance? In the face of interests and principles, it is difficult to guarantee that this will not happen.

5.2 Security Risk

The second risk faced by the BRI is that the investment environment is not stable, or even very volatile. BRI covers a large number of developing countries and low-income countries, and most of the investment is concentrated in these regions. Most of them are geopolitical broken areas, which are the weakest link of international security; some countries have serious domestic problems, some countries have turbulent domestic political situation, and relevant policies are easy to be changed, while most countries' attitudes towards foreign companies often change with government, and even some countries still have wars and terrorism. For example, if regime changes in the host country, will the new ruling party change the original agreement? Even breaking the contract? In particular, considering that many low credit countries are covered in the BRI framework (UNDP China, 2016: 45). Another example is, if there is a war between the two countries along the route, who will be responsible for compensation once the war has destroyed the corresponding infrastructure or factory buildings? This is a real problem that has to be considered.

5.3 Financial Risk

The third risk faced by the BRI is that China very likely to become a major funder of BRI projects. At present, the BRI project is mainly financed by the government and some private enterprises. However, based on the analysis of the above two points, it can be predicted that in the early stage of BRI construction, it is difficult to attract private enterprises when various mechanisms of guarantees are not perfect. Even the PPP model that China vigorously promotes now is also difficult to arouse their investment motivation and confidence. On the other hand, the lack of funds in many developments is an indisputable fact, therefore, they can make little contribution to the financing of infrastructure construction. In this case, funds from China, AIIB, and the Silk Road Foundation will be the main source of financing. In consideration of the huge sale of BRI, this will not only bring tremendous pressure to China's economy, but also not conducive to the development of BRI.

Clarifying these risks is important for all BRI participants, and the key to addressing these risks lies in the spirit of innovation within the BRI framework. For example, how to improve the rate of return by changing the project model? Or is it possible to reduce project costs while

maintaining quality? How to strengthen multilateral cooperation with participating countries to further protect investment interests?The process of resolving these risks is certainly uneven, but with the increase of cooperation experience among countries under the BRI framework, the improvement of risk response mechanism and the promotion of political mutual trust, the finally results must be positive. The BRI is not a short-term plan, and its process may last 10 years, 50 years, or even 100 years. This requires itself to continuous improvement and adjustment with the changes of the international situation. Only in this way can it achieve its ambitious goal of building a peaceful, inclusive and win-win world order.

Conclusion

The zeitgeist of leadership and innovation is the eternal keynote of the rises and falls of great powers in the past 500 years. Therefore, the modern history can also be regarded as a history of the inheritance and development of civilization banner among great powers. Any big country or powerful country in the world has come close to the center of the world stage by relying on economic innovation and political governance, so as to lead the inheritance and development of human civilization torch. It is also because it deviates from economic innovation and effective political governance, so it is not competent for the general trend of economic globalization and governance modernization since 1500 years, and gradually fade out of the historical stage. In this process, hegemonism and warism have also gradually moved away from us along with the long history, but that doesn't mean the challenge is over.

Since the beginning of the 21st century, the process of economic globalization has suffered repeated setbacks, especially in recent years, from the Brexit of the UK to the trade war triggered by the US President trump's administration. The resurgence of populism and protectionism once raised questions about the reversal of economic globalization. On the other hand, the rise of emerging countries also challenges the position of developing countries in the international community.

These uncertain factors undoubtedly increase the difficulty of global economic governance, and make the existing global economic governance system exposed the following accumulated problems:

1. There is a clear democratic deficit in the existing global economic governance system. The current global economic governance is based on multilateral and international institutions dominated by western countries. To a large extent, the will it represents is western, and the interests it cares about are also Western centered. This not only leads to the neglect of the demands of many developing countries, but also leads to the one sidedness and powerlessness of the existing mechanisms in the face of global problems.

2. Responsibility deficit, as we all know, wealth and power bring not only status, but also responsibility. This should also be a general rule in the international community. However, in recent years, the US government has adopted an evasive attitude toward its responsibility. In international affairs, it takes the “American First” as its purpose, and even withdraws from

many international organizations and agreements in order to protect the so-called “American interests”.

Not only that, the United States also proposed to increase the responsibilities and obligations of developing countries. With the strength of developing countries, such a proposal looks no ground for blame. But, the fact is that the power and status of developing countries have not been improved while the responsibilities and obligations have been increased. This unequal relationship is more like a means for the United States to shift responsibility. This will undoubtedly cause conflicts between developing countries and further intensify the conflicts between the two sides, which will lead to inefficiency or even failure of global economic governance.

3. Utility deficit, at present, the the performance global economic governance is relatively inefficient and ineffective.

The efficiency problems are mainly reflected in: the coordination negotiation cycle is too long, the cost of resources is high, and the results are few; the global economic governance system is overstaffed, the approval process is complex, and the efficiency is low.

The effect problems are mainly reflected in: frequent economic crises; Barriers to trade facilitation and liberalization; The gap between the rich and the poor in the world is on the rise, and the negative chain reaction led to the global economic downturn.

In the research process, I analyzed from three aspects and came to the conclusion that the main causes of the above problems are as follows:

1. The Subject of Global Economic Governance: Interest Differentiation; In the process of global economic governance, maintaining and pursuing their own interests is the biggest goal of every rational country. However, the ultimate goal of global economic governance is to realize the common interests of all mankind. There is no inevitable conflict between them, but there are practical differences in their interests. This has led to the diversification of the interests of all countries at the micro level, which puts the global economic governance in a difficult position.

2. The Object of Global Economic Governance: Increased Challenges; Global economic governance covers multiple areas, including trade coordination, currency, finance, investment, energy collaboration, poverty eradication, etc. With the increasing challenges in these areas, it

has objectively put forward higher requirements for countries around the world to participate in global economic governance.

3. Means of Global Economic Governance: Institutional Failure; However, in WTO, world bank, IMF and other organizations, there is a common phenomenon of institutional failure. Some forum style governance mechanisms and multilateral platforms have also gradually lost their governance capacity due to lack of constraints.

Global economic governance is in a period of deep adjustment and reform, but the speed of its change is far from meeting the actual needs of the international community. I think the proposal of BRI greatly promoted this process and made the following contributions to the existing global economic governance system.

1. It promotes global economic development; BRI overcomes the existing “fragmentation” problem through infrastructure construction and greatly promotes the process of regional integration. In this process, a large number of infrastructure construction not only activates the development potential within the region, but also becomes a bridge connecting various regions and makes contributions to trade facilitation. This undoubtedly injected new vitality into the global economy.

2. It breaks the development bottleneck of developing countries; For a long time, developing countries have been unable to allocate and use resources effectively due to lack of infrastructure, and traditional blood transfusion economic assistance has not met this demand according to the needs of developing countries. BRI breaks the bottleneck that constrains the development capacity of developing countries through the hard infrastructure construction of “railway + park” model. And this mode is gradually producing incubation effect in the areas along the line, driving the development of surrounding areas and related industries.

3. It builds new financial platform; On the one hand, the construction of BRI promotes the internationalization of RMB, which is not only conducive to the project construction under the framework of BRI, but also enriches the existing international monetary system to a large extent, and provides a certain guarantee for dealing with the deep shocks brought by the economic crisis. On the other hand, BRI has promoted the construction of AIIB and silk road fund, which not only means a new financing platform, but with a large amount of capital injection, these financial institutions are gradually becoming the strong backing of BRI and the world economy.

4. It promotes the diversification of global economic governance; First of all, BRI has no regional restrictions and no entry threshold. It is not a small group for friends, but a cooperative initiative for the whole world. Secondly, BRI focuses on the voice of developing countries. To a large extent, BRI provides opportunities for communication, trade and cooperation between developing countries and developed countries, and emphasizes the basic principle of equality for all. Finally, BRI encourages all kinds of organizations, enterprises and even individuals to join in the construction. With the deepening of globalization, the subject of economic governance will break through the restrictions of the state and government. BRI not only practices this trend in concept, but also in action.

In general, this dissertation analyzes the current global economic governance dilemma and its motivation from multiple perspectives, introduces the main concepts and mechanisms of BRI in detail, and points out its help and contribution to global economic governance under the current international situation. However, there are still many shortcomings in my work. For example, there is no effective advice on the risks faced by BRI, and no further analysis on the micro-performance of global economic governance failure.

The Chinese often say: “The last leg of a journey marks the halfway point.” After six years of construction, BRI already has a certain scale and foundation, but it still has a long way to go. Whether it can have more positive effects depends to a large extent on the attitude and application of governments towards it. Most importantly, only by maintaining its concept of fair, transparent and pluralistic governance can BRI be recognized by the international community and become the real driving force and direction of the new globalization.

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