

## **Geopolitical Implications of the Belt and Road Initiative: The Backbone for a New World Order?**

Enrico **Cau**\*  
*Tamkang University, Taiwan*

### **Abstract**

Over 2,000 years ago, China's imperial envoy Zhang Qian contributed to establish what would later become known as the *Silk Road*. Composed by an intricate network of trade routes, the road connected China to Europe and Africa and the Arab world running across Central Asia. In 2013, China's president, Xi Jinping, during a visit to Kazakhstan, announced the launch of a new initiative aiming at creating a modern equivalent of the original Silk Road. The initiative that now goes under the name of One Belt One Road (OBOR) or Belt and Road Initiative (BRI) is much more complex than the original Silk Road, and focuses on the creation of six main corridors to establish a network of land and maritime routes. The initiative is focused on ironing out regional gaps through a combination of economic measures and infrastructural works, including railways, roads, pipelines, ports and logistic hubs, to streamline the flows of goods, people, money, ideas and cultures, transiting through Asia, China, Europe and Africa. Over 60 countries are

involved in the BRI, covering a total of 70 percent of World's population with an estimated cost ranging around USD 6 trillion. China frames the *raison d'être* of the OBOR initiative within a mainly economic perspective, as part of its regional integration programs aimed at streamlining trade routes in and out of China, to maximize the efficiency of the outlets for China's manufacturing sector, while also kick-starting the development of several of the less developed Southeast and Central Asian countries involved in the initiative, with the end goal to promote and stabilize China's economic growth across the globe. However, it appears clear that an initiative having such a broad geographic and economic scope cannot avoid crossing over the mere province of economics, to stray into the domains of geopolitics and geo-economics, providing China with opportunities for economic growth, but also more political and economic leverage both regionally and globally, as well as a unique opportunity to use such leverage to change or challenge the existing international order either from the inside or, if necessary, through the creation of an external alternative order. This paper explores this complex topic, providing an insight into the deeper geopolitical and geo-economic aspects of the Belt and Road Initiative and what they may mean for the current global order.

**Keywords:** *geopolitics, One Belt and One Road initiative, China, Southeast Asia, Eurasia, BRI*

## **1. An Introduction to the BRI**

In September 2013, during a speech held at the Nazarbayev University, on the occasion of his official visit to Kazakhstan President Xi Jinping announced the launch of the Silk Road Economic Belt. Shortly after, during a visit to Indonesia, Xi announced the launch of the maritime

counterpart, aptly named the New Maritime Silk Road. Symbolically inspired by the original Silk Road, the two arms of the project, initially jointly named as One Belt One Road (OBOR) and then Belt and Road Initiative (BRI), aim at creating or expanding a new complex, seamless, integrated network of land and maritime routes running from East and Southeast Asia to Europe and Africa, through Central Asia and Russia. The launch of the initiative has sparked mixed feelings, ranging from enthusiasm to outright suspicion about the real intentions of China and the consequences such an initiative, should it succeed, could have for the delicate equilibriums that characterize the current international order.

To provide the BRI with the financial lymph necessary to make the initiative sustainable, China has established a new financial framework, made of new and existing upgraded organizations, among which, the Asian Infrastructure Investment Bank (AIIB), the New Development Bank (NDB), formerly BRICS Bank, a reformed China Development Bank and an ad hoc Silk Road Fund (SRF).

The AIIB has sparked a heated debate on China's geopolitical goals. Reportedly established to fill a financial vacuum in Asian infrastructure investment, the AIIB has been defined as an IMF competitor and as a tool prodromal to attempt to establish a new world order. In fact, the relations between China and the IMF have always been far from idyllic. For a long time, the IMF has been asking China to reduce its corporate debt and implement economic reforms that the latter is not eager to or cannot implement. On the other hand, China and others, have been calling for a modernization of the IMF to reflect the growing geopolitical weight of emerging powers, as well as the adoption of a new global currency, pegged to a multi-currency basket based on the existing Special Drawing Rights (SDR), to reduce over-reliance on the dollar, which could expose foreign countries to backlashes, like those that ravaged several countries during the 2008 crisis, and create instead a

global currency pegged to a basket of strong currencies, rather than rely on the current system founded in the primacy of the U.S. dollar (The Epoch Times, 25 July 2016). Such calls on a global scale have become increasingly frequent after the 2008 economic crisis, of which Xi Jinping and the Chinese political establishment have long been outspoken critics (Momani, 2017).

While welcomed by many countries, especially the emerging powers, China's calls for a reform of the IMF have been consistently hindered by the U.S. congress (Perlez, 2017). For these reasons, the combination of BRI and AIIB has sparked a debate on the real purposes and scopes of China's strategy, especially on whether China's goals are merely economic or rather aimed at slowly building an alternative international system based on the so-called *Beijing Consensus*, acting as a competitor and an alternative to the current system based on the *Washington Consensus*.

This paper explores this intriguing topic, providing a structured analysis of the Belt and Road Initiative, approaching it from a holistic perspective that considers the geopolitical, geo-economic and geostrategic implications of the BRI, offering a set of potential conclusions on the purpose, scope and implications of the BRI for both China and the West.

The paper includes four sections, organized to allow the reader to acquire an incremental understanding of the BRI and its implications. Drawing on the existing literature produced by both Chinese official sources and international scholars, the first section provides an overview of the BRI, explaining the key material and conceptual aspects of the initiative and highlighting challenges, doubts and specificities of this ambitious, game-changing initiative. The second section discusses the potential implications of the BRI from a holistic perspective. The analysis encompasses economic, political, security and social

implications, shedding light on some deeper aspects of the BRI from a geopolitical and geo-economic perspective in the various regions involved. The third section delves more in-depth into the geopolitical and geo-economic aspects of the BRI, trying to understand whether a potential success of the initiative and its dynamics really carries the power to alter the current status quo, to create a *Beijing Consensus*-based system able to challenge the current Western-led order. The final section includes the conclusions and a few remarks of the author.

## **2. What Is the Belt and Road Initiative: Material and Conceptual Elements**

The BRI is an undertaking of imposing proportions that carries huge economic, political, historical as well as symbolic, significance for the future of both China and Asia and all the other non-Asian countries involved, with potentially multifarious effects on a global scale. To render the understanding of the scope of the BRI easier for the reader, the basic infrastructural and economic aspects of the initiative have been separated from the conceptual and political ones.

- ***Basic Infrastructural and Economic Aspects of the BRI.*** The infrastructural aspect of the BRI envisages the creation, expansion or upgrade of a complex connectivity network, including ports, highways, railways, pipelines and logistic infrastructures spanning across over 60 countries and involving 70 percent of world's population, spanning from the Pacific Rim Economic Belt at one end and Europe at the other end, across Central Asia for an estimated cost of around 6 trillion USD (*People's Daily Online*, 2015). The initiative includes two major routes, one land-based and the other maritime, with the latter running across a "pearl chain" of ports and logistic hubs across the coasts of Asia, Africa

and, ultimately, Europe. The land-based route, named *Silk Road Economic Belt* (SREB), includes three main routes, linking China to Europe, through Central Asia, the Persian Gulf with the Mediterranean region, through Western Asia and, finally, the Indian Ocean via South Asia, while the Maritime Silk Road (MSR) splits into three further routes, one heading towards the South Pacific, one running through South Asia, across Myanmar, Sri Lanka, Pakistan and then linking with its land counterpart in West Asia, and one crossing Africa, with its terminal destination in Venice, Italy. These land and maritime routes are split into six major economic corridors: China-Mongolia-Russia Economic Corridor (CMREC), New Eurasian Land Bridge (NELB), China-Central and West Asia Economic Corridor (CCWAEC), China-Indo-China Peninsula Economic Corridor (CICPEC); China-Pakistan Economic Corridor (CPEC); and Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC). Plans include an extension of the corridors to the Middle East (Rifaat, 2016), as well as the new Arctic frontier, through China's AIIB partner countries in the Nordic regions of Europe (Liu, 2017).

In the introductory part of this paper I have briefly mentioned that when the BRI initiative was originally announced, it sparked a whole range of different feelings, opinions and hypotheses around the world. In international politics, it is not infrequent to see countries announcing huge projects or initiatives and, often, due to a variety of hurdles, do not follow through. While there are many reasons why these endeavours fail, most often the primary cause comes down to the lack of adequate financial backing required to fund such broad-scoped endeavours. For this reason, one of the main doubts raised about the BRI points at its financial sustainability and profitability; especially considering that many of the projects envisaged by the initiative involve working in some of world's worst hotspots, rife with a disparate set of challenges that

make those regions at risk of geopolitical instability due to long-standing issues that have, to date, proved hard to solve. However, these challenges do not seem to have deterred or discouraged China from pursuing its endeavour, with the country showing the tangibility of its intentions through the establishment of an ad-hoc financial and institutional framework and appropriate funding to sustain the BRI initiative. In 2014, soon after announcing the launch of the BRI, China established a new financial institution, the Asian Infrastructure Investment Bank (AIIB). The core role of the bank is to boost and support the creation of critical infrastructure in the Asian region. And the AIIB is not the sole entity involved in providing the necessary financial lymph needed to concretize the infrastructures envisaged by China. While the AIIB acts as the main financial instrument within the BRI, the financial ecosystem includes also another two financial entities, the Silk Road Fund (SRF) and the newly reformed and upgraded BRICS' New Development Bank (NDB). One may object that the simple creation of financial institutions, however, does not mean much, since these are empty boxes unless adequately endowed with the necessary financial instruments rendering them operational and that, therefore, such empty boxes should be supported by adequate funding. That is why, at the Boao Forum held in March 2015, the Chinese National Development and Reform Commission introduced a preliminary blueprint of the BRI, followed by the allocation of USD40 billion to the Silk Road Fund. These measures boosted the credibility and reputation of the initiative among potential members, including a number of Central Asian countries (Gabuev, 2015).

Despite the doubts of investors and analysts about the feasibility and profitability of the endeavour, the BRI and its financial tools, the AIIB and its sister entities, did not have to make much effort to find eager supporters, both in and outside Asia. The AIIB was very well received

worldwide, gaining 84 approved members and 21 prospective ones, among which many major Western countries in the league of France, UK, Germany and Italy (AIIB, 2017). All these countries invest in the AIIB and the BRI in the hope to get a share of the profits generated by the future use of the infrastructures and the new emerging markets that are expected to spur along the land and maritime routes across the BRI corridors. Funding has also been provided by several Chinese local governments and domestic policy banks, such as the China Policy Bank, the China Import-Export Bank and the China Agricultural Development Bank (EIU, 2016).

Many of the infrastructural works within the scope of the BRI do not require implementation *ex-novo*. In many cases China is stepping into existing infrastructural projects, like roads, railroads, ports and so forth, upgrading and adapting them, so that they can be integrated within its BRI initiative in a cost-efficient way. This is particularly true in the case of the Asia-Pacific region, where many Chinese projects overlap and expand on existing initiatives, like the ASEAN Master Plan for Connectivity (AMPC), with which the BRI shares the goal of building a regional network of roads, railways, logistic hubs and roll-on-roll-off (RORO) ports, to establish an integrated system to boost the movement of people, goods, financial flows, ideas and cultures in a seamless, timely manner both on land and at sea. Overall, this looks very much like a major upgrade aimed at further streamlining the existing integrated manufacturing and supply chain connectivity networks that have already reached a good level of development in East Asia and the ASEAN region. The land section of the BRI follows a similar logic, picking up where existing initiatives or planned ones existed, to expand and develop them into a seamless, integrated network. In particular, the land component of the BRI aims at joining the efforts with the Russia-led Eurasian Economic Union (EEU) in order to make its way throughout



the Central Asian regions. In this regard, following sections of this paper will illustrate in better detail how the Sino-Russian relations, often overlooked, may have a key, synergistic role with mutual benefits for China and Russia, provided the two manage to iron out historical challenges and current fears, especially on the Russian side.

As a matter of fact, the relations between China and Russia have been far from warm for a long time. Ideological divergences during the Cold War, the weakening of the Soviet Union and the rise of a powerful China after the Cold War made Russia wary of its giant neighbour, especially at the borders, where for decades growing numbers of Chinese illegal immigrants have been settling in the lowly populated territories of Russian Far East (RFE), worrying Russia about the possibility of future territorial disputes in those regions (Alexseev, 2003). However, despite these long-standing challenges, in the recent decades, the two countries have started to adopt a series of confidence-building measures (CBMs) aimed at consolidating mutual trust and cooperation. Such efforts resulted in the signing of several important agreements, among which the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation, in 2001, has recently been ratified (Ministry of Foreign Affairs, PRC, 2001). Since then, the relations between the two countries have considerably improved with a pattern of growing cooperation in the four important dimensions of trade, energy (Wang, 2016), arms sales (Keck, 2014) and military cooperation, with the latter element signalling that the Sino-Russian relations have gone a long way and their historical mutual wariness has faded, leaving room for a renewed basis of mutual trust (Wu, 2017). Improved relations between China and Russia not only have significant importance for the stability of the region, but they also bear critical weight in geopolitical terms, vis-à-vis the BRI. After its initial scepticism and suspicion towards the

Chinese initiative, seen as a potential competitor of Vladimir Putin's Eurasian Economic Community (EEC), in more recent times Russia seems to have adopted a more cooperative, open attitude towards the BRI, starting to consider it as an important element of its EEC platform, with the potential opportunity to develop a model of interaction based on complementarity and mutuality of interests, rather than one based on regional competition – so much so that in 2015 the two countries signed an agreement for the integration of the two initiatives (Spivak, 2017) and, contextually, established a joint fund, the Russia-China Investment Fund (RCIF). Created by Russian Direct Investment Fund (RDIF) and the China Investment Corporation (CIC), the fund boasts USD 2 billion in commitments, to be allocated for the creation of infrastructures in Russia and China (RCIF website, 2017).

● ***Conceptual Aspects – the Reasons for the Existence of the BRI.*** The BRI has sparked a vivacious debate among the political establishment, both in the West and beyond. While many have compared the BRI to the Marshall Plan implemented by the United States to help Europe recover after the tragic events of World War II, and find an outlet for the manufacturing surplus of the United States, the BRI is in fact a very different type of initiative that has only vague points in common with the Marshall Plan. Such differences have been remarked in multiple occasions also from official Chinese sources. For example, in 2015, Foreign Minister Wang Yi overtly stated that the two initiatives are entirely different (Ministry of Foreign Affairs, PRC, 2015), and that, unlike the Marshall plan, the BRI does not have any Cold War-inspired geopolitical purposes, nor is it based on aid but rather on for-profit cooperation, underlining that the infrastructural projects involved as part of the BRI initiative are not being funded as “aid for geopolitical clout” but rather as a form of investment from which China and other partners

expect to profit, once the various elements that constitute the project will be fully functional (Xinhua, 2015). In particular, in reply to the rising chorus of pundits and journalists pointing out at the potential geostrategic and geopolitical ends of BRI, Xi Jinping has gone to great lengths to explain that the BRI is not a geopolitical tool and that the initiative does not challenge, but rather complements the current status quo and respects the so called “three noes”: no interference in the internal affairs of others, no seeking spheres of influence and no striving for hegemony or dominance (Lee, 2016), as well as alleging full compliance to the Five Principles of Peaceful Coexistence of the UN Charter, namely: (1) mutual respect for each other’s sovereignty and territorial integrity, (2) mutual non-aggression, (3) mutual non-interference in each other’s internal affairs, (4) equality and mutual benefit, and (5) peaceful coexistence. To avoid further speculation on its real goals, the Chinese leadership has also made a clear point of not associating the BRI with the terms “strategy”, “project”, “program”, or “agenda” (Xie, 2015). Most notably, during his speech at Davos, in 2017, Xi Jinping took a stance that appeared to be antithetic to Trump’s pushes for a new cycle of American isolationism, exceptionalism and unipolarism. Xi’s speech focused on championing the need for the continued expansion of the process of globalization and free trade in a multipolar world, with the BRI acting as an enabler to that end, ideally uniting countries and global communities around a common idea and a common goal. In the same occasion, Xi highlighted once again the need for reforming the current international system, pointing out how, many of the woes that beset the current global environment, are a direct result of “U.S. follies of ‘chasing reckless profits’ and poor financial market regulations that ushered in the onset of the 2008 global financial crisis” (Momani, 2017).

Grasping the scope and meaning of the BRI is not an easy task for a variety of reasons. The initiative is an evolving concept whose geographic and conceptual scope keep changing and expanding into new areas, as it gains clout and China adjusts its plans based on emerging contingencies and opportunities. China tends to define the process as an integral part of its “Going out” strategy in terms that are overwhelmingly positive, benign and peaceful, and not devoid of symbolical references such as those hinting at a “rejuvenation” of the Chinese nation and those highlighting the peaceful, harmonious nature of the Chinese model. From a broad domestic perspective, part of the initiative is described as a tool aimed at fulfilling China’s “Two Centenary Goals”, carrying both economic and symbolic weight in China’s vision for the future of the country. The first goal aims at doubling the country’s GDP by 2021, coinciding with the 100th anniversary of the founding of the CCP; the second goal consists in reaching a per capita GDP that is at least equal to that of countries with an average level of development by 2049 (Lu, 2016). In more mundane terms, the BRI and the whole ecosystem built around it are designed to be a vector for China’s new economic model, which aims at reducing the reliance on exports to boost domestic consumption while investing its surplus in foreign currency and liquidity in general in infrastructure abroad. The hope is that such move will allow China to solve or mitigate some critical domestic challenges, which include widespread corruption, income gap, aging population, unemployment, as well as several environmental issues. In order to tackle these issues, China hopes that the BRI will be able to: streamline the logistics and the flows of China’s manufactured goods in and out of the country, even though the main focus is, naturally, on the export side; expand existing markets and develop new ones in the Eurasian region, allowing China to develop an outlet for its manufacturing surplus in the areas of primary and finished products; build infrastructure abroad to

invest its foreign reserves surplus as a way to generate returns on investments, while at the same time expanding job opportunities for the highly skilled workforce graduating at Chinese and foreign top universities, as well as for those workers for which at present the Chinese market is not able to offer enough opportunities due to structural economic slowdowns and oversaturation, especially in areas like the construction sector.

In China's vision, the over 60 countries participating in the initiative should be able to reap similar benefits, expanding their opportunities to trade with China on a same level, participating in the infrastructural projects of the initiatives and getting a stake in the new markets created along the various corridors that constitute the BRI. On paper, the ambitious initiative promises to reshape, expand and develop the economies of the regions involved, in particular those of East Asia, Southeast Asia, Central Asia, Russia, Africa and Europe, with what is projected to be a win-win cooperative platform designed to promote cooperation among all the members involved, through the creation of a highly integrated area of co-prosperity.

## **2. Implications and Challenges Ahead**

Despite the optimistic tones adopted by China on the initiative, and the enthusiasm shown highlighted by the outpouring of participations in the AIIB and the strong interest about the whole initiative, the BRI is not devoid of challenges in various areas. Such challenges can be categorized according to four macro geographic areas, with some of such challenges overlapping across two or more regions or occasionally intersecting the whole geographic scope of the BRI. The macro geographic regions where specific challenges exist can be split into: (1) Pacific Rim Economic Belt and Maritime Silk Road; (2) South-

Central Asia and Russia; (3) Africa section of the BRI and, potential issues that could occur at the “interfacing point” with the (4) EU members taking part in the initiative.

### ***2.1. Challenges in the Pacific Rim Economic Belt and the Maritime Silk Road***

The actual implementation of the BRI in this region presents several challenges of technical, political and geopolitical nature. Among the technical hurdles, one of the most often mentioned is the one related to the different railroad gauge standards used in the region. Unlike what the name suggests, the Maritime Silk Road (MSR) does not limit itself to building a network of safe ports and maritime routes, but rather aims at establishing a complex integrated hybrid connectivity network involving roads, railways and a roll-on-roll-off (RORO) port ecosystem able to streamline the flows of trade, people, capital, information and ideas. Especially, the combination of ports and railroads has long been considered a key element for trade integration in the ASEAN region, thanks to the high level of flexibility, huge capacity, reduced energy consumption and excellent standards of security and reliability these two integrated tools are able to provide in handling huge volumes of people and goods. An efficient and integrated region-wide railroad network can become a driver for increased domestic demand, boosted employment, as well as an incentive for economic growth. For this very reason, the MSR includes the construction of several key railroads in the region, whose implementation is not devoid of technical and geopolitical challenges. An epitomic case in point is the Singapore-Kunming Rail Link (SKRL). Announced in 1995 by ASEAN as a relatively small line, the SKRL has been then integrated into the BRI, in the form of a High-Speed Rail (HSR) project spanning over 6000 kilometres, through Cambodia, Laos, Malaysia, Myanmar, Singapore, Thailand, Viet Nam,

Kunming (PRC), with further plans to expand the line to Surabaya, Indonesia, through a system of bridges or multimodal ports (Ad-Hoc Expert Group Meeting for Cooperation on Facilitation of International Railway Transport, 2015).

The SKRL epitomizes the complex nexus between technical problems, regional political obstacles and global geopolitical goals. On the technical side, the main issue resides in the fact that the original SKRL was a much more modest project, aimed at expanding the existing network of railways on a much shorter distance, using the existing gauges. However, China's idea to integrate the SKRL into the BRI involves a major upgrade of the project that is not devoid of technical challenges, the most prominent of which is the fact that the rail gauges used by traditional railroads in Southeast Asia are not compatible with China's standard HSR gauges. This means that, in order to accommodate the Chinese requirements, the whole line will have to be built *ex-novo* with the new gauges, with a subsequent soaring of the investments required. Another dimension that poses challenges for the implementation of the initiative is the geopolitical one. The fact that China would be in charge for the management of the SRKL network, including the sections of the line crossing the sovereign space of other Asian countries, was met with distrust and uneasy feelings by some countries worried about the risk that, through the control of a critical piece of transport infrastructure, China may acquire excessive political and economic clout, both within the countries involved and on a regional scale. A second hurdle is that, reportedly, the SKRL will not be able to solve one of China's major geopolitical and geo-economic conundrums, that is its need to find a way to bypass the Malacca Strait, a bottleneck infested with pirates and firmly in the hands of India and the United States. Among other things, China fears that in case of increased competition with major powers, the United States and their regional

allies may manage to implement a blockade aimed at crippling the Middle Kingdom's shipping routes (Wu, 2016). For this reason, one of the main *raison d'être* of the SKRL is to create an alternative Sea Line of Communication (SLOC) to bypass the Malacca Strait. However, one of the main limitations of this strategy lies in the fact that the volume of goods the HSR will be able to carry will never match the massive transportation capacity provided by sea shipping. Another solution would be to build the much discussed Kra Canal, cutting the narrow 50-kilometer stretch of land located in the Kra Isthmus, a thin strip of land separating Southern Thailand from Malaysia. However, also this plan poses hurdles and complexities, with its main constraints being the necessity to find an agreement with Thailand, and the risks associated with the inherent instability of that specific region of Thailand, exposed growing violent acts perpetrated by Muslim separatist groups. Apart from this, Thailand has, for a time, been one of the most reluctant countries when it comes to seconding Chinese plans, refusing both to allow the passage of the SKRL and the construction the Kra Isthmus canal (Lam, 2015).

Mistrust towards China affects also other countries in the region. A case in point is the complex relation between China and Malaysia. While being interested in the BRI, Malaysia has expressed its own reserves about the lack of a dispute resolution mechanism. The fear is that, in case of disputes, China may use its military and economic power to gain the upper hand. China has tried to reassure Malaysia, by taking on its advice and instituting an ad-hoc One Belt One Road Arbitration Court (OBOR Arbitration Court) in October 2016 and followed by an OBOR dispute resolution centre in 2017 (*Supreme People's Court Monitor*, 2017). Adopting Chinese legislation as a reference, the Court is tasked with resolving disputes between the BRI's member countries and the Chinese actors operating within those countries to implement the



infrastructural works part of the initiative.

Many of the regions across the various corridors of the BRI are also affected by security challenges, which include piracy, terrorism and other threats. In other cases, the eagerness to be part of the BRI initiative and host part of its infrastructure is met with overwhelming enthusiasm by the chosen countries but less enthusiastically by neighbour countries that could be potential regional competitors of China. A case in point of these dynamics is the triangle between China, Sri Lanka and India, where Chinese investments in Sri Lanka have been met with enthusiasm by the receiving part, while irking India. India has been offered to take part in the BRI, but at the moment it is not clear whether it will decide to jump onboard or whether it will implement its own charm offensive with analogous initiatives in the region (Smith, 2016), or even bandwagon with anti-Chinese countries and initiatives in the region, as it is already doing with the so-called “Quad Dialogue”, an attempt to form an alliance between United States, Australia, Japan and India (Pant, 2017).

## ***2.2. Challenges in Russia and South-Central Asia***

From an infrastructural perspective, some of the challenges of the BRI in this region overlap with those in the Asia-Pacific, such as the different rail gauges and, in particular the economic viability and profitability of the initiative, with the last two representing a source of doubts many experts are struggling to understand given the peculiar set of challenges that characterize Russia as well as South and Central Asia.

However, behind the solvable technical issues, the real challenges in these regions are mostly exquisitely geopolitical and amenable to three main factors. The China-Russia relations, China-Stans relations and a complex mix of issues including terrorism, separatism and extremism. In order to reach Europe, the BRI's corridors need to cross some of the *5-Stans*, a region that has traditionally been under the political and

economic sphere of influence of Russia, but that in the decades following the Cold War and after the events of 9/11 has also seen a rising influence of the EU and the United States, in the form of economic aid and cooperation, as well as, in the case of the United States, security-related cooperation, even if the latter has been fading, with the United States closing its last base in Central Asia in 2014, following the realignment of Kyrgyzstan with Russia (Pillalamarri, 2014). The region is rife with political and security problems, with some of the Stans engaged in complex hedging political strategies, in order to maintain a sustainable balance between the need to maintain cordial relations with the United States and the EU, a key trade partner in the region, and the political and military influence of their neighbour, Russia. This hedging strategy bears an added layer of complexity given that some countries where Russian, Chinese and EU's interests overlap are also part of the Shanghai Cooperation Organization (SCO). As we have seen in previous sections, Sino-Russian relations have considerably improved over time, with growing cooperation, institutional bindings in the forms of agreements, converging goals and the increasing evidence that the two countries face common threats. Past the initial wariness, Russia has decided to adopt a pragmatic approach, opting to cooperate with China and now considers the BRI as an ideal complement for Putin's pet project, the Eurasian Economic Community. Western analysts have stressed that the two initiatives are characterized by huge differences, from which several potential challenges could originate including:

- The EEU's over-reliance on Russian economy, and the energy sector, whose performances, especially vis-à-vis the sanctions enforced towards Russia, could affect the integration process.
- Many EEU member countries are aware that getting too close to Russia may preclude them any chance to attract more investments from

foreign investors, especially from the United States and the European Union.

- Real integration and continued cooperation, pillars of a system like the EEU, may be ephemeral due to territorial issues and different levels of economic development among Central Asian countries. Furthermore, territorial disputes over control of water sources exist at the borders between Kyrgyzstan, Uzbekistan and Tajikistan (Tynan, 2014).
- Ostracism toward the BRI from local populations in Central Asia, afraid of the economic and environmental fallouts of Chinese investments in the region, which in some countries has often taken a violent turn, like in the case of the Uighur anti-Chinese unrests in Kyrgyzstan, an increasingly unstable country with growing nationalist pushes.
- Despite the fact that the external environment is pushing China and Russia towards a growing convergence of their geopolitical and economic goals, analysts and pundits think that the relationships between the two could deteriorate. Should this occur, any effort to interface and integrate the EEU with the BRI would be doomed.
- The EEU is a Russian-led regional initiative, while the BRI includes many partners but is under the sole leadership of China. The incompatibilities between the two initiatives could become a source of divisiveness between Russia and China, especially due to Russia's persistent wariness towards the potential risks of Chinese encroachment within its sphere of influence.

Provided that much rests on the decisions and pragmatism of Russia and China, the BRI and the EEU are inherently different entities in terms of structure and goals and this may pose a challenge for the convergence of the two initiatives. At the moment, this translates into the lack of a mutual institutional platform allowing for the actual integration of the

two initiatives. Also in terms of ends, the two entities are sharply different, with the BRI being an outward-looking trade-focused global and open initiative aiming at connecting Asia to Europe, while the EEU is an inherently inward-looking political initiative, whose goal is to recreate and secure Russian dominance in what, *de facto*, is its own backyard, and prevent the encroachment on those regions by the EU, the NATO and the U.S. (Zhang, Li and Gabuev, 2016).

The participation of Afghanistan in the BRI, driven by its key geographical position and by growing Chinese interests in that country are bound to bring additional challenges in both economic terms, infrastructure feasibility and, most important, security. Not only China owns some mines in Afghanistan, but it also fears that that country and other countries in Central Asia may become a safe haven for Uighur Muslim insurgents from the province of Xinjiang (Bhattacharji, 2012). This has led China to become increasingly involved in Afghan and Central Asian political affairs with a growing military footprint in those regions (Zhao, 2016). While the Chinese participation in Afghanistan's reconstruction is more than welcome, the path of Chinese-driven development in that country may be subject to several obstacles from both the growing Taliban influence and the United States (Mudabber, 2016). In addition to these issues, Pakistan and Afghanistan's participation in the BRI risks irking India, further straining Indo-Chinese and Indo-Pakistani relationships. The complex dynamics between the BRI and the regional balances in this area have the potential to spark virulent clashes, often amplifying existing issues, like the territorial disputes between with potential shifts in the balance of power in the region, or the exacerbation of existing issues, especially in the region of Kashmir (Khalil, 2017).

### **2.3. Challenges in Africa**

China has a long-standing relation with Africa, and the infrastructural investments brought by the BRI initiative in a continent where lack of infrastructure represents an endemic problem and a major hindrance for development have, in general, been welcomed by all African states. However, also in this case the implementation of China's initiatives is not devoid of challenges. While welcoming Chinese investments, many countries in the African continent are afraid that the Chinese model will increase their levels of sovereign indebtedness towards the Middle Kingdom, with negative implications for their sovereignty, since such an event could potentially allow China to leverage its economic power to steer the policies of those countries, at home and beyond, a trend that is increasingly visible in Asia-Pacific and other places where China's growing influence is affecting specific areas of domestic policy in those countries where, over the years, China has built a significant economic footprint that translates into the capacity to exert political influence in domestic decisions (Kurlantzick, 2017). For this reason, the allegiances of a number of African countries are hedging between the Chinese model and a less burdening Western model based on Foreign Direct Investment (FDI) that, however, comes with less indebtedness but also with the usual value-based constraints. African countries have also asked China to reshape its model in a manner that is more compliant with the sovereignty of those countries. Apart from these specificities, the other challenges in Africa share some commonalities with those of the other regions discussed to date, and include security risks, uncertainties in terms of returns on investments (ROI) for the investors and corruption. The main African countries benefitting from economic cooperation with China include Kenya, Tanzania, Zimbabwe, Rwanda and Burundi, with the first being a major receiver of Chinese investment.

## **2.4. Challenges in the EU**

After a moment of dismay about the initiative, Europe started to understand the relevance and the potential opportunities that both the AIIB and the BRI could imply for the EU. Many European countries, including several staunch U.S. and NATO allies, like Italy, United Kingdom, Germany, France and others, have joined the AIIB and have expressed positive opinions towards the BRI, with countries like Italy and Hungary representing important terminal hubs of the Belt and Road Initiative. In January 2017, the first “Silk Road Train” coming from China arrived at Barking Station in London. This event pretty much symbolizes the essence and the tangibility of the BRI, dispelling the allegations of those who claimed that the Belt and Road was more a wishful thinking than a real project. Most of these countries are not just members of the EU, but they are also NATO members. For this reason, the participation of these countries in the AIIB has irked the United States, stirring doubts on whether the European Union and the United States are on the same page (Reuters, 2015). The scope and relevance of the BRI have sparked a certain wariness also within the European Union, worried about the fact that the growing pro-BRI block among single EU member countries may in time widen the existing divisions that have increasingly characterized the EU’s ecosystem in the last years, further weakening its political and economic infrastructure, as well as affecting its core values. The main reason for such wariness is that, despite China stressing the economic aspects of the initiative, it appears clear that the fallouts of the BRI transcend the mere economics, with potential geopolitical spill-overs in at least two areas. The first is the one associated with the institutionalization of the BRI, and the second is the potential risk that a growing Chinese influence in and out of the BRI might lead to a growing influence of the latter vis-à-vis the BRI’s

member countries, as well as between these and the non-members based on economic ties (Yan, 2015).

Challenges notwithstanding, there are very few doubts that, if well managed on the EU side, the BRI has all the potential to become a win-win deal for both China and the EU, with a substantial reduction of both time and transportation costs, compared to the more traditional sea shipping and the possibility for the EU to enjoy a streamlined, secure access to the Central Asian regions as well a land-based connectivity path to the Asia-Pacific, a unique opportunity for the EU to expand the portfolio of outlets for its manufacturing industry, as well as a better access to privileged, cheaper, land based energy routes, with this latter benefit being maximized should the EU and Russia manage to normalize their relations (Bond, 2017).

### **3. The Geopolitical and Geo-Economic Dimensions of OBOR and Their Dynamics**

While it is true that China may be missing the key ingredients required to implement efficient soft power policies, as stated by Joseph Nye, it is also true that the traditional champion of the soft power, the United States, has seen a decline in soft power influence. This is due to at least three critical mistakes: the invasion of Iraq in 2003, and the ensuing “War on Terror”, which alienated the sympathies of many around the world; the direct involvement in the economic crisis in 2008 and the whole turn of events that ensued; and finally the combined effects of a number of critical foreign policy mistakes that occurred during the last three administrations, which include the involvement in the Arab Spring, the toppling of Libya and, last but not least, the Snowden affair. The failure of two critical projects in Asia-Pacific, the Trans-Pacific Partnership and the Pivot to Asia, as well as the American display of

*impuissance* vis-à-vis the Chinese unhindered encroachment in the South China Sea, further contributed to instil mistrust towards the American model and cast a dark shade of doubt about the will and capacity of the United States to play a regime-shaping role in one of the most important regions of the world, chipping away at American prestige and high moral standing. The combination of these factors could, in the future, result in unexpected outcomes as the United States may not be able to counter China's charm initiatives, especially in a moment where the Chinese model, despite its contradictions and unpalatability for the West, is meeting the consensus of a number of developing countries, as it allows them to generate economic growth without the burden of implementing corresponding political reforms. In particular, the growing success of the Beijing Consensus in key regions like the Asia-Pacific could spark an escalatory spiral, where the United States may eventually need to resort to the use of containing or coercive measure to maintain control of certain regions or opt to surrender specific regions to China's influence.

Other sections of this paper have already highlighted how, despite China's repeated reassurances about the benign nature and the purely economic scope of the Belt and Road project, the whole initiative and its financial mainstays, the AIIB, the SRF and the NDB carry a remarkable amount of geopolitical power. It is important to stress that such statement applies regardless of China's manifested intentions, as certain effects of its policies are automatically generated as the geographic and economic relevance of the initiative expands, gaining new followers and pushing countries and leaders to include the contingencies of the BRI within their decision-making processes. In the case of BRI, the geopolitical and geo-economic clout is produced by China's economic might, the huge scope of the initiative, the number of countries involved, as well as the shares of GDP and global population it affects, directly or indirectly. To clarify, there is very little doubt that the BRI carries a



strong economic significance for China, as it represents its economic lifeline – the means to boost Chinese economy, absorbing the country’s industrial capacity, revitalize the job market and a possible path to salvation for many nearly bankrupted State-Owned Enterprises (SOEs), while simultaneously contributing to boost domestic consumption. However, it appears clear that the initiative will also affect the geopolitical status quo of the regions it crosses, with the potential, if successful, to shift the balance of economic and political power eastward or, if one prefers, promote a marked shift from a Western-led model symbolized by the Washington Consensus, towards a model that embodies the principles of the Beijing Consensus.

Even without the BRI, China’s economic power has proved particularly powerful in attracting countries under its geopolitical sphere of influence. The Chinese model has demonstrated its efficacy in enabling developing countries that cannot afford quick value-based political reforms as a means to generate economic growth to generate such growth without requiring any major political reform. This is because the Chinese model does not carry value-based strings attached in terms of democracy or human rights, nor it attempts to interfere with its partner countries’ domestic affairs, but rather sells a model that is based on a set of pragmatic measures to improve the economic metrics without affecting the political regimes of the countries involved, making such approach more palatable than the Western one. The growing influence of this model is especially visible in the Asian region. Despite its assertiveness and the constant quarrels on territorial issues with a number of neighbouring countries, China has managed to successfully build solid economic relationships with most of these countries, even when the relationships are marked by bitter divisions on territorial matters and further exacerbated by historical grievances, as in the case of Vietnam. Many countries in the region may feel worried at China’s

assertiveness in the province of territorial matters, but they are deeply attracted by China's economic might and by its eagerness to build infrastructure where nobody else would, or ever offered to. The pervasiveness of China's economic power, helped by several factors, historical, cultural, as well as those related to the underexplored influence of the Chinese diasporas living in many East and Southeast Asian countries, has already contributed to reshaping the geopolitical scenarios in these regions, often more than pundits and experts are eager to admit, especially those who, educated during the Cold War era, are more used to see the world in binary ways, splitting it into black and white factions. In order to understand how Chinese influence overlaps with the Western one in these countries it is necessary to first understand that today's events are not occurring in a polarized world of whites and blacks, as it used to be during the Cold War, but rather in a more heterogeneous ecosystem, based on globalization as the environment, neoliberalism as the ideology, and the market, rather than ideology or cultural affinity, as the key parameter, in a domain where often economics and trade trump national security and the nation state altogether, ideological alliances and allegiances tend to become weaker and blurred and the need to hedge between security needs and economic prosperity may require a constant reshuffling and rebalancing of allegiances. For this reason, many countries in the region have opted for a hedging strategy, or an approach based on "hybrid allegiances", where the goal is seeking a point of equilibrium between the economic opportunities offered by China and the security shield offered by the West as a deterrent against a potential escalation of the Middle Kingdom's assertiveness. Such approach has become very widespread also among middle and major powers around the globe, some of which are staunch allies of the United States, like Australia, Germany, Italy and the United Kingdom. Even if the chances that China's increased

economic clout within these countries may lead to a significant political shift towards China's ideological visions are slim, the fallouts of China's growing economic pervasiveness in these countries, in an environment of diminished American power, cannot be underestimated. Such balance between reaping the economic benefits of Chinese trade and the need for the protection offered by American deterrence is only sustainable if two conditions exist. First, the current system continues to be run in a regime of shared globalization, characterized by a high level of interdependence; and second, the relative power of the United States vis-à-vis China remains at levels sufficient to allow the first to access the Asian region, in particular the South China Sea. A situation where interdependence is reduced due to growing polarization and American power vis-à-vis the Chinese one declines excessively would force most countries to shift from a hedging strategy towards one where each single country has to take sides with one of the contenders, which would also implicitly translate into an economic, political and, eventually, ideological paradigm shift in the global ecosystem. However, with Trans-Pacific Partnership and Pivot to Asia stalled, there is a concrete risk that the BRI may cause a further decline of the American influence in Asia, affecting its relationships with some of its key EU partners, and turning the South China Sea into a "Chinese Lake" (CSIS, 2016), and Central Asia, where the U.S. and the EU have been trying to expand their democratic spaces, also through investments aimed at freeing the countries in those regions from the Russian yoke, into a broad swath of Eurasian landmass under exclusive Sino-Russian control.

The BRI presents opportunities and risks also for the European Union. We have seen as, on the one side, the EU itself has shown a tepid, if not cold shoulder to the initiative, despite the enthusiastic narrative, while on the other side, many single EU members have decided to autonomously adhere to the initiative. There is no doubt that while the

BRI brings huge trade opportunities for the EU, the enthusiastic, independent participation of several EU member countries, outside of the institutional framework of the EU, may lead to a further weakening of the already strained institutional and economic fabric of the Eurozone. In a time where the EU and its economic and ideological policies are increasingly seen as counterproductive by countries and citizens, especially in the most crisis-stricken countries at the Southern and Eastern periphery of Europe, the adoption of China's "no questions asked" economic model could deepen the existing divisions within the Union and create dangerous situations of over-reliance on China's economic power and its model, which is inherently antithetic to the one advocated by major Western powers. Whereas the latter associates trade agreements with the compliance to rigid institutional frameworks based on economic, political interests and common value sets, like democracy, human rights and environmental rules that often imply deep domestic democratic reforms for the members of these types of initiatives, normally in form of multilateral Free Trade Agreements (FTAs), the Chinese model is based on a much more open, pragmatic approach devoid of such constraints. The Middle Kingdom allocates its investments without any value-based implication, and without pushing its members to overtly pledge allegiance to any ideological model, with economic and political dependence being generated by indebtedness and increased Chinese presence and lobbying activities in the target countries. This specificity, combined with the fact that the soft power model based on infrastructure-building has long been abandoned by Western countries, has allowed China to fill a void on a global scale, with a growing influence in all the regions crossed by the BRI initiative and beyond (Casarini, 2015).

### ***3.1. The Case for China Building Its Own International System***

The BRI and the AIIB have sparked a heated debate and several hypotheses with regard to the geopolitical ends of the initiative. Such hypotheses normally converge towards the main idea that China is trying to either overthrow or alter the existing international order. This section of the paper explores this topic, putting together all the basic elements necessary to provide a structured hypothesis on this challenging subject. The analysis will focus on three core questions: (1) Whether China is building a new international order; (2) Whether such international order is benign or malign; and finally, (3) Whether such an order would be complementary to or a challenger to the current one.

First of all, it is necessary to point out that most international relation literature and known doctrine in strategic and political matters bears the inference that building an international order is a costly endeavour in economic, military and diplomatic terms. And history teaches that the result of such effort is often war, because the undertaking of such a daunting challenge would signal the current hegemon and its allies a high level of grievance, manifested or not, and the subsequent will of the challenging country to stray from the status quo, engendering dynamics in line with those described by power transition theory (Tammen *et al.*, 2000). Second, the will to create an alternative order requires the existence of a set of causal and material requirements which I summarize in the following points.

- First, a causal phenomenon of sufficient intensity to lead a challenger of the status quo to undertake such task because it perceives that there is no alternative to such a path. The causal element is normally a grievance, a dissatisfaction, or irreconcilable systemic and ideologic differences that cannot be solved within the institutional boundaries of the existing order, and that the challenging side perceives as a threat

that can either diminish its power or menace its survival altogether. Examples of these could be growing unwillingness to share an order that has been shaped by a hegemon and affects or ill-fits an emerging power with a different political and economic system, or a threat arising due to territorial or economic divergences that is bound to escalate into a conflict whose outcomes could result in a zero-sum existential threat for the dissatisfied party.

- Secondly, grievances and dissatisfactions should be shared by several countries or actors operating both within and outside of the existing order. The level of dissatisfaction of these third countries and actors should be sufficient to motivate them to join the main challenger in the creation of the new system, in a scenario where such countries come to the conclusion that if they do not take action in the present, or when the conditions are favourable, they may be subject to an existential threat at some point in the future. While rational thinking suggests that most allies in such a coalition would join voluntarily, some allies may be forced through economic or military coercion, especially when these are key neighbour countries.
- Third, enough military power is required to enforce rules and provide defence and security both outside and inside the newly established entity.
- Fourth, a territory, under the form of a set of countries with enough population cooperating within and for the establishment of the new system, is required.
- Fifth, the union so formed should have a basic amount of resources at its disposal to make the new system sustainable.
- Sixth, the new entity should have a market that allows for the regular functioning of an efficient economy, both when interfaced with the market of the existing order as well as a standalone entity, to grant the survivability of the system, should the relations between the

challenged hegemon and the challenger become so sour that the former tries to contain the rise of the challenger through trade sanctions and economic warfare. Such market could assume three basic forms: a model based on the current order, in a regime of complementarity; it can be already present in the territory of the new entity in the making, although not yet codified in the form of institutionalized regime; or it may need to be created *ex-novo* according to the political-economic and ideological model advocated by the new entity.

- Seventh, the newly created entity would need an alternative currency or, as an alternative, use an existing one as reference currency alternative to that of the hegemon or, yet, operate within the existing order to decrease the monetary power of the hegemon while increasing its own monetary power, or that of its allies, at the expenses of the hegemon. The creation of an *ex-novo* currency would be required only if the new entity aims at substituting the existing system while it would not be necessary should the two systems be complementary, or if the challenger has a chance to build inroads and encroach on the existing system from the inside.

This list of elements enables us to further analyse China's behaviour and determine, to an extent, whether it possesses the will and the tools to build a new international order and whether its actions provide any hint that this process is already ongoing or planned, in some form. The next section will focus first on the analysis of the material aspects, or quantifiers, to measure whether China really has the material tools required for such a challenging endeavour. The next step involves the analysis of the possible causal elements, such as dissatisfactions and grievances, constituting the driver for the implementation of such a complex endeavour.

***Finding allies.*** In order to create a new international system, China would require the support of a pool of countries sharing the goals of its initiative and, at least in part, its grievances and interests. As we have seen, the undertaking of such a bold action would alarm the current hegemon and its allies, which would surely put in place adequate economic, political, legal and, if necessary, military measures to prevent allies from defecting and joining the challenger in the formation of the new order, while simultaneously attempting to curb the ambitions of outsiders which might be tempted to support such initiative. So where should China go look for partners?

China's dissatisfaction with the current order is shared by other countries, like the other members of the BRICs. All of them feel that their growing power is not adequately represented in the major institutions and that the United States holds an overwhelming amount of power, allowing it to afford an overpowering amount of leeway in shaping global rules. Furthermore, more and more countries seem to find the Western model increasingly unfitting for their systems and ambitions. While the formation of alliance patterns with Brazil is to be factored out, due to geographic and economic reasons, and despite the fact that the relations with India are not at their best at the moment and due to the known territorial hurdles and to the perception within the Indian political establishment that the BRI might erode the country's influence, the relations between China and Russia have become increasingly close over the last years. The increased cooperation between the two countries is driven by a complex mix of mutual and common interests and shared threats, as well as by exogenous factors within the international system, that make such cooperation mutually beneficial. This is true despite the existence of the previously mentioned grey areas in the relationship between the two countries. Indeed, the pragmatic model of relationship adopted by the two countries has led to



a closer Sino-Russian cooperation, with positive results for both countries. In order to better frame this rationale, it is first necessary to explain what the exogenous contingencies of the two countries are.

After the annexation of Crimea by the Russian Federation in 2014, the United States, the EU and the United Nations enforced an embargo on Russia and since then the relationships between Russia and the West have been steadily deteriorating. The participation in the Syrian conflict made Russia even more antipathetic among the Western leading elites, with recurrent attempts to further harshen the sanctions regime against Russia (*Forbes*, 19 June 2017). In such a gloomy scenario, the possibility for Russia to integrate the BRI into the EEC initiatives constitutes an enabler providing Russia with the opportunity to establish brand new markets in Central Asia, as well as using the BRI as an “outward” door to access the markets that are part of the initiative, focusing on trade eastward, and in particular in the Asia-Pacific, rather than westward, allowing Russia not only to escape the chokehold of EU’s and US’ sanctions but also to expand its trade relationship in new markets, under the protective umbrella of China. The availability of a stable trade flow to and from other BRI markets and a thriving EEC in Central Asia would allow Russia to consolidate its power in the region, while allowing it to regain influence on a huge swath of what used to be the former sphere of influence of the Soviet Union and recreate an efficient buffer zone against the encroaching attempts of the EU and the United States to encircle Russia. Eventually, such a scenario could also allow Russia to take full control of Ukraine and expel the remaining elements of U.S. and EU influence from Central Asia, all the while enjoying a privileged trade channel in Asia-Pacific, under the protective umbrella of China’s influence in those regions.

Among China’s potential allies, one should not forget the underdog. Rarely mentioned in analysis when associated with China and

considered a rogue state by the United States and most of its Western allies, Iran is another outsider that is acquiring increasing strategic visibility among the Chinese and the Russian leaderships. Iran is currently not directly involved in the BRI, but this may well be a temporary shortcoming, because China is trying to negotiate the participation of some Middle Eastern countries, including Iran, in the BRI (Dominguez, 2015). Like Russia, Iran's economy has been crippled by Western sanctions over its nuclear program and its sponsorship of terrorist groups and the country has long been advocating the necessity to create an alternative international order to contain the United States.

***Financial institutions.*** Regardless of its form, any international system is built around a sound economy, which requires institutions and regimes to function properly. Under the current international order this role falls on the “holy” triad of institutions established under the Bretton Woods agreements that also represent the functioning basis for the present neoliberal order: the World Trade Organization (WTO), the World Bank, also called International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund. The first of the three deals with trade matters, while the World Bank has mainly a developmental role and the IMF tackles “accounting” tasks within the international order, granting the regular flow of payments and receipts (Driscoll, 1996). China is also a member of all three organizations, and the Renminbi has recently become part of the basket of IMF's reserve currencies (BBC, 2015). While being very critical of the current system and asking for reforms, China's approach has, to date, appeared to have been based on attempting to change the system from the inside, rather than express the manifest desire to build alternative institutions for which it may not yet be equipped for. An epitomic case in point of this behaviour is the mentioned attempt of China to push for a new global currency, the Special Drawing Rights (SDR), which would not be based

on the primacy of the U.S. dollar anymore, but rather on a basket of selected currencies that better reflect the influence of the new emerging powers.

These are all indicators that China is increasingly socialized in the existing international political system and, despite the recurring bickering with other countries, which fall within the physiological nature of the relations among the members of the community of nations, and in spite of the recurrent requests for reform of the current system, there are no signs indicating that China is willing to leave the safe port of the current system to sail into perilous, uncharted waters to become the helmsman of a new international order. Rather, the Middle Kingdom seems set on changing the current system on its terms from the inside.

So, what is the purpose of the AIIB and the NDB and the SRF? After all the Japan-U.S.-led ADB could well have catered for it. Perhaps the IMF and the other existing institutions could have endorsed China's BRI plan and funded it. As seen in previous sections, China has pointed out in several occasions that Asia has remarkable gaps in terms of infrastructure funding. A known study by ADB estimated the gap to be in the range of 8 trillion USD between 2010 and 2020 – an amount that the existing financial institutions cannot cater for (Bhattacharyay, Kawai and Nag, 2012). Additionally, those limited funds are not necessarily as focused on infrastructure as the BRI is, as they are allocated to a variety of items in agenda, including areas not related to infrastructure, such as education and gender equality. Therefore, the AIIB and other China-led financial institutions, according to China, do not represent alternatives or substitutes to the ADB or other existing institutions, but rather they complement them. China's rationale has a point. Had funding been so abundant, perhaps such infrastructural initiatives would have already been implemented by others. However, it is hard not to see a geopolitical end in China's projects, especially in a region where the competition

between great, middle powers and China is growing. Such competitive element emerges when one observes the dynamics of the various free trade agreements (FTAs) in the region. China never joined the TPP, not even when the hype around the initiative was at its peak, while Japan and the U.S. were integral parts of it. And the U.S. was never part of the TPP counterpart, the China-led Regional Comprehensive Economic Partnership (RCEP), of which though Japan eventually became a member. This suggests an interesting, yet often underestimated phenomenon that characterizes the participation in FTAs. While there is room for negotiations on several items in agenda among the various countries, there is very limited margin for discussion about the core tenets beheld by the leading members of such initiatives, whose political and ideological values are automatically injected into the very DNA of such agreements. This means that should China join a U.S.-led FTA, it should also adapt its own domestic system to the rules imposed by the U.S., which would translate into the necessity to carry out domestic political reforms, from which China traditionally shies away because they are deemed a risk for the very existence of the Chinese Communist Party. Vice versa, should the United States join a China-led agreement, regardless of the openness and the alleged level of freedom carried by the initiative, the participation would mean not only loosening up its regulatory ecosystem to adapt to what one can anticipate as laxer regulations, but also subjecting itself to China's primacy within the specific framework of such system.

Economics, politics and geopolitics are strictly linked domains within which complex dynamics occur, often with interesting outcomes. In this case, the most interesting outcome is that, despite the relentless narrative of cooperation aired by mainstream media and their respective leaderships in official occasions, the relation between the U.S. and China appears increasingly competitive, especially when it comes to the Asia-

Pacific and, more specifically, to the South China Sea. If all the above is true, then it is also legitimate to anticipate the possibility of an escalatory trend putting the two countries at odds in the future. The empirical evidence of such trend is also shown by recent statements of President Trump, which have defined both China and Russia as revisionist powers (*Nikkei Asian Review*, 19 December 2017). Assuming the above as one of the possible defining trends in the future, it is also possible to posit that while it is perfectly justifiable that China has established the above financial institutions as a complementary source of financing tool for regional development, filling the vacuum left by other regional and international institutions, it is also possible to think that such institutions are part of a “failsafe” system able to operate autonomously, should the existing sources of financing depending on the current U.S.-led international order cease to support China’s regional ambitions at some point in time.

***Military power.*** Military might and the capacity to protect sovereignty and the institutions that sustain a regime are key elements for the success of a system-building of the type envisaged in this paper. Oftentimes, military might is represented by the aggregate capabilities of a hegemonic power and those of its allies, with the latter normally being smaller countries that have decided to share the hegemon’s values and interests to protect the status quo. At a first glance it may seem that while China has an increasingly modern and well-equipped army, it might not be able to generate enough pull to find proper allies, except through coercion. The reasons are known: China’s assertiveness, especially in the South China Sea, the low palatability of its political system and the lack of tools of soft power proper, often substituted by economic tools and other forms of diplomacy. However, such perspective, markedly Western-centric, does not consider the fact that the current order is a Western-led one in a world of emerging powers

whose economies and societies have developed different systems and are looking for their own share of geopolitical influence, allowing them to thrive without necessarily embracing the neo-liberal order, the democratic values and the whole value-based model epitomized by the Washington Consensus. Another often ignored fact is that the rise of globalization has also incentivized the proliferation of forms of regionalisms based on common interests and goals that often result in security alliances that do not obey any of the major Western powers. In the case of China, an example of such security coalitions is represented by the Shanghai Cooperation Organization (SCO). The organization, established in 2001, counts eight members, China, Russia, India, Pakistan and 4 Central Asian “Stans”, namely Kyrgyzstan, Kazakhstan, Tajikistan and Uzbekistan, with Iran as a possible new member. Four of the “Stans” are also members of the Russian-led Collective Security Treaty Organisation (CSTO), formerly CIS Collective Security Treaty (CST). This potentially provides Russia with a higher degree of influence within the SCO as well, given the closer relations it enjoys with its neighbours. Xi Jinping has overtly declared that the SCO does not have outward purposes, is not a NATO competitor and is primarily aimed at overseeing the security of the BRI routes in Central Asia. While the organization is primarily aimed at protecting the Central Asian region against common threats, like separatism, terrorism and extremism, in a region traditionally dominated by Russian influence, the origins and goals are of Chinese making. While the SCO does not pose a direct threat to the Western status quo, it tells us some interesting facts about its nature:

- First, all the members of the SCO are also involved, to some extent, in the BRI.
- Second, many of these countries are members of the BRICS.

- Third, all of them represent emerging powers whose instances are often ignored by the current status quo leading the international order.
- Fourth, all of them except India, to an extent, are considered as authoritarian countries.
- Fifth, while many of these countries have issues with each other, like India and China, and India and Pakistan, all of them have agreed multiple times over time that the current international order should be changed to reflect the aspirations of the emerging powers.

It is a fact that the democratic Chinese neighbours did not show any interest in joining the SCO, but rather expressed their worries about the real goals of the organization. This puts all the countries above inherently at odds with all the elements that characterize the current international order, from neoliberal values, Western-style globalization and the related values, to human rights and democracy and, in particular, U.S.-led unipolarism. While all of these countries have a strong interest in boosting the globalization of trade, reducing tariff barriers and so forth, they also strongly oppose supranational entities like the European Union and strongly reject the idea of a unipolar global order, while often opposing most of the core values that represent the philosophical and ideological framework of the Western system. Almost all of them support, instead, strong forms of nationalism and the protection of their own cultural and religious values. Accordingly, they not only share a huge neighbourhood but, despite historical mistrusts, territorial disputes and other challenges, like those between China and India or between China and Russia, and between India and Pakistan, but also share a core set of interests, including the respect for each other's differences and a non-interference principle and, often, common threats. This combination may constitute a sufficient bonding and an element that contributes

to mitigating differences, strengthening their relationships vis-à-vis common external threats. In this perspective, the SCO with many or even with a few members, like China, Pakistan and Russia, would be more than sufficient to grant the internal and external security of the core regions crossed by the BRI, like China, Russia and Central Asia (*The Economist*, 2014).

**Territory.** If we posit that the hypothesis about China and Russia made in previous sections is potentially viable, then we can also reasonably assume that an increasing convergence of interests between the two is a possible outcome, especially if the BRI initiative were to succeed, allowing Russia and China to exert their political, economic and military influence, establishing what can be defined as a new form of Beijing-Moscow Consensus enforced on considerable swaths of territory spanning from East Asia across Central Asia, with indirect effects also in Eastern and Southern Europe (Cau, 2018). Surely, the modes and the intensity of the influence exerted onto these regions would have very different levels of intensity and forms, compared to the models seen during the binary era of the Cold War. In a globalized regime strongly rooted in interdependence, China's influence would be unevenly spread, with terminal areas in Asia and Europe where Chinese power and Western power would mingle in a mix of competition and cooperation, and a mostly land-based core region spanning from China to Pakistan, Afghanistan and central Asia, where Chinese and Russian power would be stronger, largely unchallenged, yet not devoid of poaches of cooperation and cracks through which some elements of EU or U.S. influence may manage to penetrate. This would create two major global areas, an Eastern and a Western one, with China and, perhaps, Russia jointly dominating the former and the United States and the EU dominating the latter. In such a scenario the influence of the United States in Asia would be reduced but not zeroed, with countries especially



in Southeast Asia and Central and Eastern Europe still trying to resort to hedging strategies in the attempt to catch the most benefits from both sides. However, China's increased economic clout and the tyranny of geographic proximity between China and the South China Sea neighbours would eventually end with swallowing most of them into the gravitational pull of Chinese power, leaving the access to potential opponents as a form of Chinese "*discretionary*" measure. Russia, whose economy would emerge strengthened by the new markets created through the BRI, could gain control over much of Central Asia and Eastern Europe. This could also eventually cripple further attempts of the EU and the United States to expand their respective spheres of influence in those regions, constraining the available choices for those countries that show more reluctance to take part in the EEC, which would therefore be forcibly pushed towards the sphere of Russian influence.

**Resources.** Resources constitute an essential part of any new system. If two different systems operate in a cooperative environment, then they can exchange the needed supplies along a specialized supply chain where production can rely on a model of exchanges based on complex interdependence. But when two competing systems exist, their level of cooperation and interdependence diminishes, or is subject to cyclical variations based on contingencies. Sometimes cooperation will be sufficient, while in times of disagreement, cooperation may shrink or cease altogether, replaced by containment measures, when necessary. Would China manage to survive should it decide to build its own international system? Also in this case, evidence tends to show that there are high chances that China would be more than able to cater for its needs, on the condition that it manages to take control of the South China Sea and in so doing become a regional hegemon in its neighbourhood, while adopting a converging strategy with Russia that

manages to conjugate the respective interests of the two countries while downplaying their differences and in so doing gaining access to the key routes and markets in the Eurasian region.

**Market.** The creation of a new system presupposes the existence of a market, institutions and regimes to work properly. Also in this case, the interaction between Chinese influence in Asia and Russian influence in Central Asia and Eastern Europe could prove potentially a lifesaver. However, the market in Central Asia does not exist. As we have seen, those regions are not only fragmented and divided politically, ethnically and under many other aspects, but they are also deeply underdeveloped. While exposing my theory, some pundits pondering what the BRI means for China in Central Asia were sceptical about the possibility that it may want to build a whole new market in that region. I think this reaction is somewhat natural. As a matter of fact, now those regions are rich in resources but hardly economically sustainable. But what would happen if huge infrastructures were built, cities started to spur, Chinese citizens were incentivized to move in those cities and expand the existing population base, in a newly revived economic environment thriving on infrastructure building, with local citizens benefitting from increased trade flows bringing those regions within the thresholds of average income, ushering them into the province of a new middle class? Should this hypothesis materialize, the consequence would be that China could reap the benefits spurred by a huge new market, and Russia could push its “inward-looking” policies further, reducing its dependency on the West and consolidating its regional power through economic stability, being not more isolated, but rather at the centre of a new, integrated economic pole that is at the crossroads between the developing markets of the Asia-Pacific and the wealthy markets of Europe. Together, China, Russia and Central Asia have immense energy resources and other natural resources. Those resources are most probably enough to build a

middle class and create a new market, populated with millions of consumers that could render the whole platform sustainable. From the perspective of China and Russia, the added value of all this would be that the EU and the U.S. would find themselves marginalized from those growing markets and dependent on the two countries to access those regions.

**Currency.** No new international system works without a currency. But currencies today exist in a U.S.-based ecosystem. The most important implications of this are that the United States can get the upper hand in monetary and economic matters and, at the same time, leverage the primacy of the dollar to isolate itself or recover from any economic and monetary storm. The second implication is that the United States and the order they have created can, through the dollar and the various economic institutions they control, apply strong pressure, short of war, on any country not complying with the rules they have set. We have seen examples of this with the embargo on Russia for the annexation of Crimea, the sanctions on Iran due to its nuclear program, on Venezuela and, more recently on North Korea.

An often overlooked yet telling aspect of Chinese and Russian monetary policies is associated with their gold reserves. If we compare China's behaviour with Russian behaviour in this specific area a number of interesting similarities emerge. China and Russia are respectively the largest and the third largest gold producers. Data indicates that shortly after the 2008 economic crisis China started to buy increasing amounts of gold. China's gold reserves went from 600 tons in 2008 to over 1800 tons in 2016 (*Trading Economics*, 2017). Furthermore, recent studies indicate that the volumes of private gold in China amount to about 20,000 metric tons. China also controls several gold mines around the world and it is now the largest gold producer worldwide (Padhy, 2017) Russia has adopted an analogous strategy, starting to buy gold. Russian

gold reserves grew from 0 ton before 2008 to 1,600 metric tons in 2016. Russia is also the third major gold producer, with its reserves steadily expanding (*Trading Economics*, 2017).

Several analysts around the world have been wondering why the two countries have been purchasing so much gold over the last years and, to date, only a few hypotheses emerged. One of such hypotheses maintains that the 2008 economic crisis was a wakeup call forcing countries to diversify their portfolios with more reliable investments. The second maintains that with the values of dollar and euro dwindling, gold still represents a solid choice, able to insulate a country from potential market instabilities and allow it to back its printed money with the real value of gold.

More realistically, all these elements signal that China is not satisfied with the current order and that it is trying to push for changes from the inside rather than resorting to the more daunting task of building its own order. However, this does not mean that China does not have specific goals in asking for reforms. Indeed, achieving the goal to morph the current system from the inside, rather than resorting to a more conflictual strategy, is an optimal solution from a cost-benefit perspective; this strategy is also more in line with China's historical strategic tradition, as the country has traditionally eschewed direct conflict, opting for more raffinate and complex strategies to achieve its goals. To explain this, it is necessary to clarify that nothing prevents a new international system to be pegged to an existing yet reformed monetary system or even to the dollar. If such system is complementary to the existing one and the two cooperate, one could well spare the costs and the risks associated with the creation of a whole new currency system. Another possibility is that, through gold hoarding, China may be building resilience in case of global market shocks; this also means that in case of monetary shocks on a global scale, China and Russia will be

able to peg their currencies to gold, if necessary, with all the others left adrift at the mercy of the tidal moods of the financial markets.

***China and its grievances.*** At the beginning of this analysis I have mentioned that in order for a country to undertake the costly and risky business of creating a new international order, valid motives and grievances must exist. In the case of China such reasons can be summed up in three points:

- The first is the growing antagonistic relation between China and the United States in the South China Sea, and East and Southeast Asia more in general.
- The second is the growing reluctance of China to accept the current system as it is, in particular with regard to the American primacy and its exceptionalism; and China's repeated calls to reform the system in such a way that it reflects the real distribution of global power.
- The third, inferred from the first two, is the inherent tragedy of two entirely different systems coexisting within a Western-led system, whose goals are essentially antithetic. One is unipolar, the other multipolar; one preaches democracy, the other advocates a politically socialist but economically state capitalist model entirely permeated by "Chinese characteristics", emphasizing a state-led economic system able to generate growth without the need for democratic reforms; one has established a huge power base and alliances that have allowed it to expand and project its geopolitical and military weight over huge swaths of the globe ever since the end of WWII; the other is a rising power that has realized that all of the invaders came from the sea and is now longing for a bigger backyard and increased global influence.

While the reform of the international system allows China to afford patience, the South China Sea issue bears a higher dose of escalatory

risk. In this perspective, if the differences between the two systems can be worked out with China given appropriate geopolitical and geographic space, the refusal to concede in this area may exacerbate such differences with unpredictable results. In such case, China could have enough motivations to push for devising alternative ways to both keep its growth path and isolate itself from the dangers of a potentially hostile adversary.

### ***3.2. Answering Questions***

At the beginning of this section I have set on to answer three questions: 1) whether China is actually building a new international system; 2) whether such hypothetical system is complementary or substitutive of the current one and, finally, 3) whether such international system is benign or malign. This section offers some answers to such questions, based on the corpus of evidence collected to date.

***The case for China building a new international system.*** China has claimed multiple times that the BRI initiative and all of what it entails do not envisage geopolitical goals whatsoever and that the initiative is only promoting a new economic model based on cooperation and open non-value-based initiative articulated around the concept of win-win cooperation. China is also increasingly integrated in the international order, occupying important roles in all its major institutions, like the UN Security Council, where it also enjoys the privilege of veto power. It is, overall, a respected country with very few, focused grievances, some of which are, though, prone to escalation as they threaten China's existential space, its growth, its security and the very nature of its peculiar political system.

Chinese initiatives lend themselves to multiple interpretations that require a granular approach rather than a binary black-white explanation. In this perspective, it is possible to read Chinese actions like the BRI, the

AIIB, the gold hoarding, the SCO etc. as part of a flexible long-term project, whose minimum goal is to create a certain degree of complementarity with the existing international order, while cutting a dedicated survival zone that allows the Chinese ecosystem to survive, develop and, ultimately, thrive with or without the support of the current international system. This implies building resilience against external threats and expanding the scope of its system by filling the vacuums left by existing institutions. On the other hand, evidence shows that China possesses all tools and basic motivations to build an alternative international order of its own making, should the need arise. However far-fetched such a statement may seem from an academic perspective today, one does not have to imagine the outcome of such an alternative international order in the form of coercion and conflict, indeed acts that China will try to prevent. Rather, despite the growing competition between the two countries, the alternation from a system to the other may be the result of a natural decline of Western power, the rise of new powers and all that ensues for the internal ecosystem of the current status quo. Signs of this are already visible in the progressive acceptance of the Renminbi as global currency, as the dollar loses momentum as a global currency, a trend that is set to worsen should more countries accept trading with China in Renminbi, instead of using the dollar as the key currency. Signs of this trend are seen mostly with what I call “fringe” countries, like Russia (*Financial Times*, 2 June 2015) and, more recently, Venezuela (Reuters, 2017). However, one of the clearer indicators of China’s will to substitute the dollar for its transactions, at least on a regional scale, is the recent crude oil futures contract set to be the biggest in Asia denominated in Renminbi (*Asian Nikkei Review*, 14 September 2017). All these are indicators that while not aiming for radical abdications of power, China is slowly working its way to power from inside the current international order, capitalizing on the debacles

that have weakened the West and its model during the last decades, and maximizing the efficacy of its strategy and the leverage of its economic might to subdue potential contenders and attract potential allies.

*A substitutive or a complementary order?* While it may come natural to think that, out of its grievances, China may be trying to build a substitutive order, it may not be so. Building a substitutive order would mean that all countries currently supporting the current order would automatically rebalance towards China, essentially pushing the United States and their current order out of the game. Despite the relative decline of the United States and the growing distrust towards its model, the chances of such an event occurring are indeed slight.

Should China manage to build another international system, this would not be substitutive, but rather complementary or alternative to the existing one and most probably open to new members, with such condition of complementarity persisting as long as the West has enough power and as long as there is a sufficient number of countries that do not trust China enough to let the security and economic umbrella of the West go. The coexistence of two international systems in place on a global scale, where multiple emerging powers shift towards one or the other major power based on contingencies and self-interest, would allow for a sort of constant rebalancing between the two systems, offering a choice for smaller countries to shift among the two systems based on their economic and political interests.

It is the opinion of this author that any attempt to build a substitutive system that is exogenous to the existing one would require a massive amount of coercion, and such endeavour would be bound to have immense costs and be met with an overwhelming opposition from the United States and its allies, eventually resulting in counterproductive outcomes for China. The latter may instead prefer to bide its time and find a common ground for dialogue to push changes from within the



system, in a cooperative, complementary manner, as long as such a course of action is viable.

***Would a China-led international system be good or bad for the world?*** While absolute answers to these questions beg to point out that the concepts of benign and bad are in general based on where one stands, I beg to think such a world order would have good chances to turn inherently benign for a variety of reasons.

First of all, while an intense competition is to be expected at the beginning, when China and its new system chip away economic, political and geopolitical space at the expense of the existing one, possibly subjecting the existing system to a number of political and economic blows in major arenas as it tries to impose its model, if war does not break out, a possibility exists that, unable to defeat each other due to unsustainable costs, shifting allegiances and levels of power, the two systems could actually find a *modus vivendi* leading to a new balanced status quo where two complementary systems coexist with each other, as dominant powers in their respective regions, in a cooperative-competitive kind of relationship. This type of setup could be beneficial for many countries as they would have the possibility to shift from a system to another when one proves unsatisfactory. Admittedly, this rationale rests on the idea that the author does not expect Sino-American competition to emulate the level of polarization that characterized the Cold War due to globalization and interdependence, *sine qua non* conditions for trade to thrive and therefore allow both countries to sustain their models and respective systems. In lack of such conditions, chances are that China may decide to eventually split its own system from the Western one, due to sanctions and attempts from the West to cripple its expansion through economic warfare and other methods, forcing the Middle Kingdom to resort to the tools it owns to create its own regional self-sustaining system. While this scenario may

seem a remake of the Cold War, the main difference is that China would not be bound by the ideological tenets that forced the Soviet Union to abide by certain economic rules, but rather could simply continue to use Western-style market rules to build and maintain a sustainable economic system that is independent from the one led by the U.S.

Second, in order to maintain an alternative order, China would first have to devise a strategy to make its internal growth sustainable, in order to generate the levels of political and economic stability necessary to focus outward. These goals can only be satisfied if China operates within a regime of free trade in a globalized world. This is why Xi Jinping has repeatedly stressed that, should Trump pursue isolationist policies, China will replace the United States in championing globalism and free trade (*The Guardian*, 2017). This implies that China needs to project a benign image of itself, leveraging a combination of economic support, and non-coercive tools like public diplomacy and soft power initiatives aimed at building confidence with both its neighbours and the global political establishment. While such view of China's behaviour may appear overly optimistic, in view of China's assertiveness vis-à-vis its territorial disputes, the reasons for such a statement are more rooted in cold realism than in the domain of idealism. While China has been showing increasing assertiveness in the Asian region, its nature is inherently non-aggressive and its assertiveness in the region is dictated by strategic reasons aimed at filling a gap that constitutes an existential threat for its survival. The South China Sea is not only rich in vital resources, such as oil, gas, rare earths and fisheries, but also represents China's maritime buffer zone. China knows very well that in the past, all invaders came from the sea and this has led its leadership to implement a strong military transformation whose goal is to increase its maritime power projection through the creation of a strong blue navy as well defining specific strategies aimed at deterring and denying potential contenders

the capacity to operate in the South China Sea, like the so-called Anti-Access Anti Denial (A2/AD) strategic concept (Kazianis, 2014). Aside from the South China Sea, China has gone out of its way to demonstrate its good will and its peaceful intentions towards the international community and its neighbour countries, through economic aid and charm offensives based on soft power and public diplomacy mainly aimed at emphasizing the commonalities and the historical cultural, religious and even linguistic values that China shares with its neighbour countries.

Third, in a global setting where two international systems contend for primacy, benign behaviour pays. While in a unilateral system an unchallenged hegemon can take the liberty to abuse its own allies or indulge in arbitrary economic sanctions, embargoes or meddling with domestic policies of his allies, the existence of a valid, sustainable, alternative would do in such a way that not just China but also other hegemonic actors would have to keep their power and their attempts to build inroads within the domestic ecosystems of their own allies in check, for fear that these may, at any point in time, jump ship and switch allegiances, a behaviour that would be made much easier in a global regime where trade and crude self-interest, and not hardcore ideology, represent the main drivers in the decision-making process.

Unlike what the established tenets of some international relations theory tend to point out, the underlying theory advanced in this case posits that multipolarism has the potential to generate stability or at least less friction compared to unipolarism. The current system has, for decades now, been based on a unipolar or quasi-unipolar regime, and contrary to most established theories, empirical evidence shows that such system has proven unable to produce the self-control mechanisms and dynamics necessary to keep its own power in check and generate the levels of stability expected by the theoretical models. Additionally, the

risk with unipolarism is that once the institutional mainstays and the leadership of the hegemon power everyone relies on to steer the boat crumble or deviate from the established course, normally nobody is able to find another leader and a model in time to avoid the rocks ahead. The U.S. has, for decades, led the system, using globalization as a vector to promote its ideological and economic doctrines on a global scale. Initially welcome, the system epitomized by the Washington Consensus is now showing its limits. Furthermore, the Western model has proved a failure in helping developing countries to emerge from their condition of underdevelopment, and often this did not happen not because those countries did not want to but rather because the Western model, based on a complex set of values, is inherently ill-suited to produce development in many countries. While the countries in the West have, for the most part, absorbed and appropriated the values and the goals of the United States, although not without disagreements, a number of other countries in Africa, Asia and the Middle East have proven particularly resistant to the attempts to spread the Western model of democracy, often just pretending to share Western values to receive aid, without actually implementing the expected political reforms the West expected in exchange. In this perspective, the opportunity to enjoy an access to an open initiative merely based on trade, mutual profit and interests, without being subject to the observance of rules and values that not only vastly transcend business proper, but often are also not in tune with those of many countries and whose compliance would require radical economic, political and cultural transformations, for many countries represents a unique chance to generate growth without the need for political reforms. In order to reap the benefits of this opportunity it is, however, necessary to implement a globalized multipolar system where the term “globalization” does not translate into the hegemony of one single power upon all the others, but rather one where multiple

interdependent powers coexist across different cultures, religions, geographic regions and systems, cooperating with one another, while also reciprocally respecting their respective spheres of geopolitical influence and their values. This is not a tale of a one single world with no borders under one single power that projects its values and ideological tenets on a global scale, but rather one of an ecosystem of “globalized” nations that are aware of their cultural, religious and political values within their borders, and yet able to respect the geopolitical primacy of different nations in different places. This concept seems both in line with the Chinese model as well as with the new Eurasian model advocated by theorists like Aleksandr Dugin and his 4th political theory (Dugin, 2012), another rarely mentioned element of convergence between Chinese and Russian ideological models.

#### **4. Conclusion**

The Belt and Road Initiative is a challenging endeavour that aims at boosting the free movement of goods, money, people, money flows and cultures in the regions it crosses, as well as an economic lifeline for the Chinese economy. If successful, the initiative will allow China to achieve its economic goals and acquire increased influence on a global scale.

While the implementation of the BRI is already an evolving reality, with many infrastructural works being in the course of implementation, the initiative involves several material, economic, political and geopolitical challenges, with the last three items being the harder issues to tackle. On the economic side, the huge costs of the BRI initiative and the profitability of several BRI projects represent the major source of uncertainty. The geopolitical challenges offer a much more complicated scenario, ranging from widespread suspicion in Southeast Asia and

Central Asia to the need to balance the relations between India and Pakistan in South Asia as well as allay the doubts of the West. In Central Asia, the convergence between the EEC and the BRI may bring huge opportunities for both countries, allowing China to benefit from a privileged access to Russia's backyard, consolidate its presence in the region and reach the wealthy European markets. In Europe, the tepid, uncertain attitude of the EU has been compensated by the enthusiastic participation of many countries which have joined the AIIB and the other Chinese-led initiatives.

Despite China's reassuring statements, an initiative like the BRI cannot be devoid of important geopolitical fallouts that may cause wanted or unwanted consequences for the current status quo, from which wariness grows about the real purposes of the Chinese initiatives. With such a scenario in mind, this paper has tried to answer three main questions, namely whether the initiatives undertaken by China are aimed at creating a new international system, whether such system would be substitutive or complementary to the existing one and, finally, whether such system, once established, would be inherently benign or malign. The study has found out that, should the BRI succeed, China would indeed possess the means necessary to create its own ecosystem and address a certain amount of grievances that are shared among other emerging powers. These powers are growing increasingly weary of American primacy, both because they hardly fit into the current international order if not through endless, often painful compromises, and also because the trust towards the United States over the last decades has started to crumble away.

These elements and the empirical observation of events like China's pushes for the internationalization of the Renminbi and its inclusion in the basket of the Special Drawing Rights, the gold hoarding by China and Russia, the increase in yuan-based transactions and the growing

divide between the Chinese and the American models signal that China is indeed trying to change the current international order from the inside, using the very same rules established by the system's leadership to alter the inner balance of the system in such a way that is more favourable to China and other rising powers. This is done in part through assertiveness, in part by gathering consensus within the system among those countries that, like her, are unhappy with the current U.S.-led system and long for a system based on multipolarity that better reflects the growing influence of the emerging powers. This does not mean that the system devised by China should live in a symbiotic manner inside the existing one. In anticipation of a potential escalation of the competitive elements that may in the future lead to a break-up of the two systems in a manner akin to what occurred between the Soviet Union and the West after WWII, China seems to be in the process of designing its own strategy in such a way that its system, once in place, will be self-sustainable and survivable also in a stand-alone mode. In this perspective, the BRI and the newfound harmony with Russia seem to play a key role. The BRI aims at the creation of a highly integrated global trade area under different degrees of Chinese influence. The role of Russia is to grant China the necessary geopolitical stability in what is traditionally known not only as Russia's backyard but also as a region rife with challenges. In exchange, Russia will have a unique chance to integrate the "inward looking" strategy of the EEC with the "outward-looking" strategy of the BRI, which will allow Russia to find new markets eastward, especially in the Asia-Pacific, while simultaneously helping the country to consolidate its power in Central Asia, as well as avoiding the hardships of the Western sanctions.

The final question asked whether a possible new system led by China would be benign or not. There is no definitive answer to this question, because no one can predict with a reasonable level of accuracy

the future path of Chinese foreign policy and how its system will evolve. But while it is not possible to provide a realistic estimate of the setup of a future China-led system, it is however possible to draw some important conclusions through a brief empiric evaluation of what three decades of post-Cold War quasi-hegemonic Pax Americana and Washington Consensus have brought to the table. In spite of the optimistic, almost utopic predictions made by the famous social scientist and economist Francis Fukuyama on neoliberal democracy and despite the alleged higher stability offered by unipolarism supported by some theoretical paradigms in the field of international relations, it is possible to say that the long period of quasi-unipolar U.S. hegemony has not brought much of the stability anticipated by theorists on a global scale. Since 9/11 the United States has been in constant conflict. George W. Bush's war on terror, which is by now ushering into its eighteenth year of duration, has managed to destabilize the whole Middle East as well as Afghanistan, with important fallouts on a global scale, in the form of increased terrorism, sanctions, human security, immigration flows and so forth. The attempts of the European Union, originally a supporter of the American unipolar model, to chip away at the Russian buffer zone in Eastern Europe have triggered destabilizing trends also in that region, especially in Ukraine. In the meantime, the United States and its economic system have been the main enablers of the economic crisis that in 2008 left many countries on their knees, triggering a global cycle of recession from which the global economy has not recovered yet. The shift from liberal capitalism that made the world a better place during the Cold War, left place to a rampant model based on *laissez faire* neoliberalism, where the protective barrier provided by democratic governments has been bypassed by lobbies and corporations that only obey the rules of the market, causing the disappearance of the middle class and paving the way for a job market based on low wages and part-



time contracts that deprive the youth from any chance to make any family planning, *de facto* crippling their future. In the meantime, the growing political polarization within the United States has sparked vicious dynamics in domestic politics resulting in an alteration of leaderships whose ideological tenets appear to be entirely different from each other, with each new administration pursuing the same old interests through new socially constructed paradigms designed by different groups within the same government apparatus, with such paradigms being later on forced onto the rest of the world, often alienating also the very same allies that have, for decades, supported American policies because they hoped to become part of that regime of co-prosperity the American model had symbolized since the age of the Marshall Plan, only to find themselves forced to obey what are often perceived as irrational policies that make them accomplices of major foreign policy failures. The impression one gets from all this is that, once left unchecked, American power has largely taken advantage of the absence of opponents to abuse its unipolar moment without bringing to the table any real benefit, often becoming as oppressive as those regimes it claimed to be fighting during the Cold War. While this topic would deserve a separate, dedicated research, an important lesson can be drawn from all this. Unipolarism does not grant more stability for at least two key reasons. The first is that, it does not matter how good an alliance is and how much values allies share among them, if one of them has a chance to prevail over the others, it will do. The second reason, of which again American foreign policy is a clear epitome, is that when, in a unipolar regime, a hegemon runs out of external enemies, its next step is to take on its own allies, expanding the level of control or using all its power to pre-emptively allay any risk within the ecosystem, through dynamics that are often repetitions of the exogenous ones previously enforced against external threats, only on a smaller scale, dictated not by

different ideologies anymore, or not only at least, but mainly by growing differences in the type of interests the hegemon and his allies want to pursue and in the way they wish to reshape the system from the inside once they run out of external enemies. A case in point of this type of dynamics has been the debate around the NATO and its budget after the Cold War, with the United States constantly pushing for increased budgets from its allies, while these have traditionally preferred to allocate their budgets elsewhere; or the different opinions on Russian sanctions, which have been hurting the trade relations of a number of EU countries with that nation. In short, unilateralism, or quasi-hegemony, when unchecked, causes abuses of power and often, what used to seem good hegemons may at once turn into bad hegemons, which exist in an ecosystem where there are no alternatives to such hegemon. Its power is unchecked from the inside, due to the overwhelming military superiority and the political pervasiveness the hegemon enjoys within its own system, and unchallenged from the outside, due to the lack of potential opponents. Such an amount of leeway can easily steer the leadership of a hegemon to abuse of its power or, in case of illegitimate power takeovers within that country, cause important shifts on a global scale, in lack of strong forces able to counter the overwhelming power of the hegemon and the influence it enjoys among its allies.

In this perspective, even if we do not know whether the rise of the Chinese model will be benign or malign, we can say, with a certain amount of certainty, that the shift to a multipolar world that gives rise to alternative systems and models might, in the end, be a better way to keep in check the hegemonic ambitions of everyone and a driver for major powers to generate domestic stability as a way to ensure the support of its citizens in face of potential external threats. This leads to what may seem to be a counter-intuitive conclusion. In order for an international system to be stable, there is a need for multiple challengers that operate

in a regime of multipolar interdependence, in the respect of each other's geopolitical space. The implications of such a shift are broad as they eschew the Western universalist approach based on a "one-size-fits-all" model under the guidance of one single power or a limited number of powers, to privilege a model that acknowledges the plurality of an expanded number of powers, each one characterized by its differences and its own geographic and geopolitical sphere of influence.

Another important lesson taught by the last three decades of post-Cold War American hegemony is not only that the Western universalist model has significant shortcomings that tend to spark extreme reactions when applied to incompatible systems, but also that liberal democracies are not epitomes of ideological freedom and peace but rather ideologies themselves and as such they try to win over new territories with the same rapacious voracity of any other ideology, and that for this reason, as paradoxical as it may seem, also the internal and external balance of these systems lies in the existence of potential opponents able to keep their ambitions in check. With all this in mind, maybe the rise of China, the BRI, the revival of Russia and the establishment of an alternative system that is complementary or alternative to the current one should not be considered in such a negative light.

## **Note**

- \* Enrico Cau is a Ph.D. candidate at the Graduate Institute of International Affairs and Strategic Studies (GIASS), Tamkang University, Taiwan, an Associate Researcher at Taiwan Strategy Research Association (TSRA) and a member of the Philippine International Studies Organization (PHISO). <Email: [enrico\\_cau@outlook.com](mailto:enrico_cau@outlook.com)>

## References

- Ad-Hoc Expert Group Meeting for Cooperation on Facilitation of International Railway Transport, ASEAN (2015, March 12-13). Singapore – Kunming Rail Link. <<http://www.unescap.org/sites/default/files/Malaysia%20-%20Present%20Singapore%20-%20Kunming%20rail%20link.pdf>> (Accessed 22 September 2017).
- Alexseev, Mikhail (2003). Economic valuations and interethnic fears: Perceptions of Chinese migration in the Russian Far East. *Journal of Peace Research*, Vol. 40, No. 1, pp.85-102.
- Asian Infrastructure Investment Bank (AIIB) (2017). Members and prospective members of the Bank. <<https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>> (Accessed 21 September 2017).
- BBC (2015). China's yuan gains IMF reserve status. *BBC News*. <<http://www.bbc.com/news/business-34957580>> (Accessed 25 September 2017).
- Bhattacharji, Preeti (2012). Uighurs and China's Xinjiang region. *Backgrounder*, 29 May 2012 (updated). New York and Washington, DC: Council on Foreign Relations. <<https://www.cfr.org/backgrounder/uighurs-and-chinas-xinjiang-region>> (Accessed 15 January 2018).
- Bhattacharyay, Biswa Nath, Mashairo Kawai and Rajat M. Nag (eds) (2012). *Infrastructure for Asian connectivity*. A Joint Publication of the Asian Development Bank Institute and Asian Development Bank. Cheltenham and Northampton: Edward Elgar Publishing.
- Bond, Ian (2017, March). The EU, the Eurasian Economic Union and One Belt, One Road: Can they work together? (Policy Brief) London / Brussels: Centre for European Reform. <[http://www.cer.eu/sites/default/files/pb\\_eurasian\\_IB\\_16.3.17\\_0.pdf](http://www.cer.eu/sites/default/files/pb_eurasian_IB_16.3.17_0.pdf)> (Accessed 25 September 2017).
- Casarini, Nicola (2015). Is Europe to benefit from China's Belt and Road Initiative? *IAI Working Papers* 15 | 40 - October 2015. Rome: Istituto Affari Internazionali (IAI). <<http://www.iai.it/sites/default/files/iaiw1540.pdf>> (Accessed 25 September 2017).

- Cau, Enrico (2018). The geopolitics of the Beijing-Moscow Consensus. *The Diplomat*, 4 January 2018. <<https://thediplomat.com/2018/01/the-geopolitics-of-the-beijing-moscow-consensus/>> (Accessed 15 January 2018).
- CSIS (2016, January). *Asia-Pacific rebalance 2025: Capabilities, presence, and partnerships – An independent review of U.S. defense strategy in the Asia-Pacific*. Washington, DC: Center for Strategic & International Studies (CSIS), and Lanham, MD: Rowman & Littlefield. <[https://csis-prod.s3.amazonaws.com/s3fs-public/legacy\\_files/files/publication/160119\\_Green\\_AsiaPacificRebalance2025\\_Web\\_0.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/160119_Green_AsiaPacificRebalance2025_Web_0.pdf)> (Accessed 25 September 2017).
- Dominguez, Gabriel (2015). China seeking to link Iran to its New Silk Road. *Deutsche Welle*, 15 December 2015. <<http://www.dw.com/en/china-seeking-to-link-iran-to-its-new-silk-road/a-18917586>> (Accessed 25 September 2017).
- Driscoll, David D. (1996). The IMF and the World Bank: How do they differ? (Updated August 1996) Washington, D.C.: International Monetary Fund. <<http://www.imf.org/external/pubs/ft/exrp/differ/differ.htm>> (Accessed 25 September 2017).
- Dugin, Alexander (2012). *The fourth political theory*. London: Arktos.
- Gabuev, Alexander (2015, August 6). Post-Soviet states jostle for role in One Belt One Road initiative (Op-Ed). Moscow: Carnegie Moscow Center. <<http://carnegie.ru/2015/08/06/post-soviet-states-jostle-for-role-in-one-belt-one-road-initiative-pub-60997>> (Accessed 21 September 2017).
- Financial Times* (2015, June 2). Gazprom Neft sells oil to China in renminbi rather than dollars. (Reported by Jack Farthy.) <<https://www.ft.com/content/8e88d464-0870-11e5-85de-00144feabdc0>> (Accessed 27 September 2017).
- Forbes* (2017, June 19). The Senate sets the table for full-blown Russia sanctions. (Reported by Kenneth Rapoza.) <<https://www.forbes.com/sites/kenrapoza/2017/06/19/the-senate-sets-the-table-for-full-blown-russia-sanctions/#3eb2dc794ce1>> (Accessed 26 September 2017).

- Kazianis, Harry (2014). Welcome to Chinese A2/AD: Version 2.0. *China Policy Institute: Analysis (cpianalysis)*, 13 February 2014. Nottingham: China Policy Institute, University of Nottingham. <<https://cpianalysis.org/2014/02/13/welcome-to-chinese-a2ad-version-2-0/>> (Accessed 27 September 2017).
- Keck, Zachary (2014). Putin approves sale of S-400 to China. *The Diplomat* (Flashpoints blog), 11 April 2014. <<https://thediplomat.com/2014/04/putin-approves-sale-of-s-400-to-china/>> (Accessed 15 January 2018).
- Khalil, Ahmad Bilal (2017). Pakistan and China: Don't fear Chabahar Port. *The Diplomat* (Features), 31 January 2017. <<http://thediplomat.com/2017/01/pakistan-and-china-dont-fear-chabahar-port>> (Accessed 25 September 2017).
- Kurlantzick, Joshua (2017). For clues on how to address China's growing political influence strategies, look to Australia. *Blog Post*, 18 December 2017. New York and Washington, DC: Council on Foreign Relations. <<https://www.cfr.org/blog/clues-how-address-chinas-growing-political-influence-strategies-look-australia>> (Accessed 15 January 2018).
- Lam, Peng Er (2015). Thailand's Kra Canal proposal and China's Maritime Silk Road. *EAI Background Brief* No. 1044 (22 July 2015). Singapore: East Asian Institute, National University of Singapore. <<http://www.eai.nus.edu.sg/publications/files/BB1044.pdf>>
- Lee, Alexious (2016). A brilliant plan – One Belt, One Road. *Obor Silk Belt and Sea Road reports*. CLSA. <<https://www.clsa.com/special/onebeltoneroad/>> (Accessed 22 September 2017).
- Liu, Nengye (2017). China's new Silk Road and the Arctic. *The Diplomat* (Flashpoints blog), 20 May 2017. <<http://thediplomat.com/2017/05/chinas-new-silk-road-and-the-arctic/>> (Accessed 21 September 2017).
- Lu, Ding (2016). China's "Two Centenary Goals": Progress and challenge. *East Asian Policy*, Vol. 8, Issue 2, April & June 2016, pp.79-93.

- Ministry of Foreign Affairs of the People's Republic of China (2001, July 24). *Treaty of Good-Neighborliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation*. <[http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/2649\\_665393/t15771.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t15771.shtml)> (Accessed 21 September 2017).
- Ministry of Foreign Affairs of the People's Republic of China (2015, March 8). Foreign Minister Wang Yi meets the press. <[http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1243662.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1243662.shtml)> (Accessed 22 September 2017).
- Momani, Bessma (2017). Xi Jinping's Speech at Davos shows how much can change in a decade. *Newsweek* (Opinion), 18 January 2017. <<http://www.newsweek.com/davos-2017-xi-jinping-economy-globalization-protectionism-donald-trump-543993>> (Accessed 21 September 2017).
- Mudabber, Zabihullah (2016). Where does Afghanistan fit in China's Belt and Road? *The Diplomat* (The Pulse blog), 3 May 2016. <<http://thediplomat.com/2016/05/where-does-afghanistan-fit-in-chinas-belt-and-road/>> (Accessed 25 September 2017).
- Nikkei Asian Review* (2017, September 14). China aims for dollar-free oil trade. (Reported by Damon Evans.) <<https://asia.nikkei.com/magazine/20170914/Business/China-aims-for-dollar-free-oil-trade>> (Accessed 27 September 2017).
- Nikkei Asian Review* (2017, December 19). Trump strategy brands China, Russia 'revisionist' powers. (Reported by Tsuyoshi Nagasawa.) <<https://asia.nikkei.com/Politics-Economy/International-Relations/Trump-strategy-brands-China-Russia-revisionist-powers>> (Accessed 11 January 2018).
- Padhy, Siv (2017). 10 Largest producers of gold by country. *Investing News*. <<https://investingnews.com/daily/resource-investing/precious-metals-investing/gold-investing/top-gold-producing-countries/>> (Accessed 26 September 2017).
- Pant, Harsh V. (2017). India, Japan, Australia, and the US: The return of Asia's 'Quad'. *The Diplomat* (The Pulse blog), 28 April 2017. <<https://thediplomat.com/2017/04/india-japan-australia-and-the-us-the-return-of-asias-quad/>> (Accessed 26 September 2017).

*mat.com/2017/04/india-japan-australia-and-the-us-the-return-of-asias-quad/*> (Accessed 15 January 2018).

*People's Daily Online* ( 人民网 ) (2015, June 17). Investment on infrastructure projects for the “Belt and Road” likely to reach \$6 trillion: CASS report. <<http://en.people.cn/n/2015/0617/c98649-8908112.html>> (Accessed 21 September 2017).

Perlez, Jane (2017). China creates a World Bank of its own, and the U.S. balks (*The China Factor*, Part 4). *The New York Times*, 4 December 2015. <[http://www.nytimes.com/2015/12/05/business/international/china-creates-an-asian-bank-as-the-us-stands-aloof.html?\\_r=0](http://www.nytimes.com/2015/12/05/business/international/china-creates-an-asian-bank-as-the-us-stands-aloof.html?_r=0)> (Accessed 21 September 2017).

Pillalamarri, Akhilesh (2014). The United States just closed its last base in Central Asia: What the closure of Manas’ transit center means for Central Asia’s future. *The Diplomat* (The Debate blog), June 10, 2014. <<https://the-diplomat.com/2014/06/the-united-states-just-closed-its-last-base-in-central-asia/>> (Accessed 25 September 2017).

Russia-China Investment Fund (RCIF), Moscow and Beijing. <<http://rcif.com/>> (Accessed 22 September 2017).

Reuters (2014, December 12). China expresses regret at U.S. failure to pass IMF reforms. <<http://www.reuters.com/article/us-china-usa-imf-idUSKBN0JQ0PO20141212>> (Accessed 21 September 2017).

Reuters (2015, March 22). How Europe and U.S. stumbled into spat over China-led bank. <<https://www.reuters.com/article/us-china-bank-europe-in-sight/how-europe-and-u-s-stumbled-into-spat-over-china-led-bank-idUSKBN0MI0ER20150322>> (Accessed 25 September 2017).

Reuters (2017, September 16). Venezuela publishes oil prices in Chinese currency to shun U.S. dollar. <<https://www.reuters.com/article/us-venezuela-oil/venezuela-publishes-oil-prices-in-chinese-currency-to-shun-u-s-dollar-idUSKCN1BQ2D1>> (Accessed 27 September 2017).



- Rifaat, Hamzah (2016). China, Iran, and ‘One Belt, One Road’: Will Iran become drawn into China’s ‘One Belt, One Road’ orbit in Pakistan? *The Diplomat* (The Pulse blog). <<https://thediplomat.com/2016/10/china-iran-and-one-belt-one-road/>> (Accessed 28 March 2018).
- Silk Road Fund Co., Ltd. ( 丝路基金有限责任公司 ), Beijing. <<http://www.silkroadfund.com.cn/>> (Accessed 21 September 2017).
- Smith, Jeff M. (2016). China and Sri Lanka: Between a dream and a nightmare. *The Diplomat* (Asia Defense blog), 18 November 2016. <<http://thediplomat.com/2016/11/china-and-sri-lanka-between-a-dream-and-a-nightmare/>> (Accessed 22 September 2017).
- Spivak, Vita (2017, May 16). How Putin plans to cash in on The One Belt One Road initiative (*Op-Ed*). Moscow: Carnegie Moscow Center. <<http://carnegie.ru/2017/05/16/how-putin-plans-to-cash-in-on-one-belt-one-road-initiative-pub-69998>> (Accessed 15 January 2018).
- Supreme People’s Court Monitor* ( 最高人民法院观察 ) (2017). 推进设立 “ 一带一路 ” 争端解决中心的建立, 促进 “ 一带一路 ” 建设 . <<https://supremepeoplescourtmonitor.com/tag/one-belt-one-road/>> (Accessed 22 September 2017).
- Tammen, Ronald L. *et al.* (2000). *Power transitions: Strategies for the 21st Century*. New York: Chatham House Publishers.
- The Economist* (2014, September 20). Pax Sinica – China is trying to build a new world order, starting in Asia. (Banyan blog.) <<https://www.economist.com/news/asia/21618866-china-trying-build-new-world-order-starting-asia-pax-sinica>> (Accessed 10 January 2018).
- The Economist Intelligence Unit (EIU) (2016). “*One Belt, One Road*”: An economic roadmap. London: EIU, The Economist Group. <[https://www.eiu.com/public/topical\\_report.aspx?campaignid=OneBeltOneRoad](https://www.eiu.com/public/topical_report.aspx?campaignid=OneBeltOneRoad)> (Accessed 21 September 2017).
- The Epoch Times* (2016, July 25; updated August 4). IMF and China accelerate creation of new global reserve currency. (Reported by Valentin Schmid.)

- <<http://www.theepochtimes.com/n3/2124703-imf-and-china-accelerate-creation-of-new-global-reserve-currency/>> (Accessed 21 September 2017). *The Guardian* (2017, January 18). Xi Jinping signals China will champion free trade if Trump builds barriers. <<https://www.theguardian.com/business/2017/jan/17/china-xi-jinping-china-free-trade-trump-globalisation-wef-davos>> (Accessed 27 September 2017).
- Trading Economics* (2017). China gold reserves 2000-2017. New York: Trading Economics (IECONOMICS INC). <<https://tradingeconomics.com/china/gold-reserves>> (Accessed 26 September 2017).
- Tynan, Deirdre (2014, interviewed by Gabriel Domínguez). Central Asia's intensifying water dispute. *Deutsche Welle*, 12 September 2014. <<http://www.dw.com/en/central-asias-intensifying-water-dispute/a-17917965>> (Accessed 25 September 2017).
- Wang, Tao (2016). The great Russia-China oil alliance is here (and why it matters). *The National Interest*, 30 September 2016. <<http://nationalinterest.org/blog/the-buzz/the-great-russia-china-oil-alliance-here-why-it-matters-17883>> (Accessed 21 September 2017).
- Wu, DD (2017). China and Russia sign military cooperation roadmap. *The Diplomat* (China Power blog), 30 June 2017. <<https://thediplomat.com/2017/06/china-and-russia-sign-military-cooperation-roadmap/>> (Accessed 15 January 2018).
- Wu, Shang-su (2016). Singapore-Kunming Rail Link: A 'Belt and Road' case study. *The Diplomat* (China Power blog), 17 June 2016. <<http://thediplomat.com/2016/06/singapore-kunming-rail-link-a-belt-and-road-case-study/>> (Accessed 22 September 2017).
- Xie, Tao (2015). Is China's 'Belt and Road' a strategy? – When is a strategy not a strategy? *The Diplomat* (China Power blog), 16 December 2015. <<http://thediplomat.com/2015/12/is-chinas-belt-and-road-a-strategy/>> (Accessed 22 September 2017).

- Xinhua News Agency ( 新华通讯社 ) (2015, March 28). Chronology of China's Belt and Road Initiative. <[http://news.xinhuanet.com/english/2015-03/28/c\\_134105435.htm](http://news.xinhuanet.com/english/2015-03/28/c_134105435.htm)> (Accessed 22 September 2017).
- Yan, Shaohua (2015). Why the 'One Belt One Road' initiative matters for the EU. *The Diplomat* (Features), 9 April 2015. <<http://thediplomat.com/2015/04/why-the-one-belt-one-road-initiative-matters-for-the-eu/>> (Accessed 25 September 2017).
- Zhang, Xin, Li Lifan and Alexander Gabuev (2016). *Competition or coordination? The Eurasian Economic Union and China's One Belt, One Road initiative* (Journal Issue). *Russian Analytical Digest*, No. 183 (3 May 2016). <<https://www.research-collection.ethz.ch/bitstream/handle/20.500.11850/127245/eth-50401-01.pdf?sequence=1&isAllowed=y>> (Accessed 25 September 2017).
- Zhao, Huasheng (2016). Afghanistan and China's new neighbourhood diplomacy. *International Affairs*, Vol. 92, Issue 4, pp. 891-908. <<https://academic.oup.com/ia/article-abstract/92/4/891/2688072>> (Accessed 25 September 2017).

