

## China's "One Belt One Road" Initiative: Historical Background and Strategic Implications

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### Abstract

In 2013, Chinese President Xi presented "One Belt One Road" Initiative. Within five years, over 64 countries joined this program, cooperating for many international investments. Figuring out the reason of proposing "One Belt One Road" Initiative, which is one of the greatest and biggest economic programs in the world, can help to understand China's current economic circumstance and Chinese economic plan in the next decade. To do so, this article analyzes from the perspective of its historical background and strategic implications respectively. For historical background, Silk Road established thousands of years ago functioned as a benchmark for One Belt One Road Initiative, which highlights the significance of cultural communication. For strategic implications, China is looking for methods to deal with both external and internal challenges, and thus, to improve its trading amount and expand its influence. For the twofold factors, China created One Belt One Road Initiative in order to fulfill its economic, cultural, and political demands. With ample examples and analyses, the reason behind the screen becomes clear, and thus, provides chances for scholars to initiate further researches on this issue.

### Keywords

One Belt One Road; China; Historical background; Strategic implications.

### 1. Introduction

One Belt One Road Initiative is an economic plan of China that proposed by President Xi in 2013. Aiming to improve the mutual cooperation and economic blooming, two trade routes were established through Asia to Europe involved 65 countries in total. Crediting as "the most significant and far-reaching Initiative that China has ever put forward" [1], One Belt One Road Initiative is intensely interesting to many scholars in order to explore the economic plan of China in the 21st century. After this program was announced in 2013, many scholars have written various articles discussing One Belt One Road Initiative from different aspects including its purpose, its potentials, its accessibility, and its drawbacks. For example, Xianghong Zeng (2016) thoroughly analyzed the political and economic purposes of One Belt One Road Initiative, believing that it is a great chance for globally economic blooming, and it can also raise the reputation of China in Eurasia [2]. Yiping Huang (2016) contribute to this topic by summarizing overall information and data in his article, which enables people to have a general idea about One Belt One Road Initiative [3].

Within five years, many questions are still debated by people, while there are still some facts that are widely acknowledged by scholars. Generally, all scholars in this field agree that One Belt One Road Initiative is an integrated plan, which contains economic, cultural, military, and political ends. Some scholars point out that this is a plan to encounter the US "pivot" or "rebalancing" plan in Asia [4], whereas some scholars hold the alternative view, arguing there are other critical reasons for this proposal. In order to figure out this question, it is essential to analyze the historical background and realistic benefits of One Belt One Road Initiative, which will be discussed in detail in the following sections.

Before proceeding, there are few things that are worth to elucidate. In this paper, One Belt One Road Initiative is defined as an official integrated plan suggested by The Chinese federal government

instead of regional plans. This plan has five specific aspects to deal with: policy coordination, facilities connectivity, unimpeded trade, financial integration, and people to people bonds [5]. Historical background in this paper is defined as the historical episode of mutual connection happened in The Eurasian continent, predominantly the ancient Silk Road. The realistically strategic goal is defined as Chinese decisions facing the current international situation to improve the Chinese and global economy. For this article, analyzing the reason for proposing Chinese governmental plan “One Belt One Road Initiative” and its possible influence is the essential aspect. To do so, my analyses will base on One Belt One Road Initiative’s historical background and its realistically strategic implications.

## **2. The Historical Background of “One Belt One Road” Initiative**

In order to propose One Belt One Road Initiative, the inheritance and breakthrough of historical backgrounds of China play a necessary role. With over thousands of years’ mutual communications with various countries. The ancestor of One Belt One Road Initiative, Silk Road, strongly impacted the lives of farmers, workers, and merchants from over 43 countries that were built on Eurasia. Merchandises – such as silk, china, and tea – were famous around the world, and even discovered in Rome which is thousands of miles away from China [6].

Besides that, China also traded with different nations through the Ocean for more than hundreds of years. Ordered by Chinese emperor Chengzu Ming, He Zheng led his fleet and explored most countries around the Indian Ocean, South Asia, the Arabian Peninsula and West Africa between 1405 and 1433 during the Ming dynasty. Because of his significant contributions to spread mutual cultures, languages, and civilizations to varied countries, He Zheng is widely celebrated as an envoy in both China and by the overseas foreigners living in Malaysia, Indonesia and elsewhere [6].

Nevertheless, One Belt One Road Initiative has more advantages than the Silk Road to build an international platform for communication and cooperation. Firstly, the modern society is more stable and peaceful. Unlike the past when trading was easily disturbed by regional wars, the present circumstance is more suitable to obtain international communications [7]. Secondly, political leaders are more open-minded at present. People are getting aware of the fact that it is better to trade with others instead of being self-sufficient. For instance, programs, such as the “Silk Road International Museum City” and “Silk Road Expo Park”, are proposed. In these programs, museums and pavilions will exhibit the arts, crafts, and archaeological artifacts of more than twenty Silk Road countries. In such case, people can have a deeper understanding of their neighbors, and create potential chances for the development of tourism [7]. At the international level, eastern culture is highlighted recently as another aspect of research rather than an extension of the western world. One Belt One Road Initiative connected countries that are historically valuable and vital but be overlooked for decades. Winter (2017) pointed out that: “The emergence of cultural Olympics of history, with much energy going into ensuring the worlds of European, Persian, Arab, Indian or the Chinese pasts are given the recognition they deserve” [7].

## **3. The Strategic Implications of “One Belt One Road” Initiative**

On the other hand, China put forward One Belt One Road Initiative in order to achieve its realistically strategic goals. Under the threats of external and internal situations, One Belt One Road Initiative is expected to light the burdens of the Chinese government.

Analyzing from the external aspect, there are three reasons why China will propose One Belt One Road Initiative. To begin with, China faced competitions extensively with India through international infrastructure construction. By developing industries abroad, building oil pipes and railroads, exporting Chinese capitals, China can build its native companies and improve GDP. However, Indian firms hold the similar idea and owned compatible capacities to do so. Thus, China eagerly acquires new channels to earn profits, throwing Indian firms out of markets. Actually, for decades, China initiated trading competitions with India. It has been well documented that both China and India are

competing to build networks of maritime infrastructure across regions – including South Asia, Northeast Asia, and Central Asia – for the need of strategic locations for seaborne trade [7]. In order to win this competition, China needs to initiate lucrative and mutually beneficial programs with its neighbors, which then promote the creation of One Belt One Road Initiative. Another contributed factor is that China is facing the issue of South Sea. Promoting by ambitions and international pressure, China is searching for the steadiness of the South Sea, which can be achieved by thriving and stable economic communications. With heavy investments in the South Sea area, China is capable of protecting its benefits in this area by claiming its sovereignty [8]. In the article by Overholt, he criticized that China can only prosper if its partners prosper, and then to develop itself with security and stability [9].

Not only does China hope One Belt One Road Initiative contributes to alleviating its international stress, but also China relies upon it to solve its internal problems caused by its speedy economic blooming. Several issues are evident and urgent to take actions. First, China is facing challenges of overproduction and overcapacity, particularly in the steel and construction materials sectors. China is no longer need massive steels to build infrastructures recently, whereas many factories require amounts of purchasing to stay at markets. Thus, China must look for overseas markets which scarcely require the building of infrastructure [10]. Programs, such as “International intermodal train”, “Kazan High-Speed Railway”, and “Western Europe - Western China International Highway”, are valid cases. Second, with the development of the economy, China no longer owns ample and cheap labor resources in that national fortune level increased within twenty years. As labor costs rise, China will move its labor-intensive and low value-added manufacturing facilities overseas [10]. Lastly, China is pondering about how to deploy US 3.5 trillion dollars of foreign exchange reserves, while China is short of commercial raw materials in the next decade. In such a case, international trading becomes the ideal plan to invest in promising and developing countries [11].

There are still many things that One Belt One Road Initiative is expected to cope with. Primarily, One Belt One Road Initiative may solve regional conflicts for many countries with the economic method. Specifically, countries are able to attract the public’s supports with economic development instead of current military regulations. Overholt (2015) believes that: “It may consolidate domestic stability in most countries; ideological politics waned, separatism diminished, and the resources needed by governments to administer and suppress disorder rose” [11]. By providing economic opportunities and job opportunities, poor people are not willing to participate in terrorism or extreme religious activities. Therefore, regional peace can be assured. Besides that, One Belt One Road Initiative, similar to U.S Pivot Plan, shows Chinese pursuits to reduce the unstable circumstance of South Asia and the Middle East. One Belt One Road Initiative provides a chance for China and U.S to collaboratively keep the peace of South Asia and the Middle East, thus the jihadist violence that threatens regional trading and peace would be efficiently lessened.

#### 4. Conclusion

In conclusion, One Belt One Road Initiative, after its proposing, attracted views from different countries and firms. As a giant economic market, China is qualified enough to propose such an influential and meaningful proposal. In order to figure out the reason and benefits to create this plan, this article analyzes from two aspects – historical background and realistically strategic implications. Considering the aforementioned points, China holds prolonged trading history and excellent trading foundation, and the Chinese government now is faced with various stress and tasks, One Belt One Road Initiative becomes an inevitable result at all. One Belt One Road Initiative has proposed just 5 years ago, which means it is still ambiguous whether it is a beneficial plan or not. Many research and assumptions are waiting for more facts and results.

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