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Research Paper

Belt and Road Initiative; Geopolitics, Opportunities, and Challenges for regional integration

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Abstract

The Chinese Belt and Road Initiative (BRI) is aimed for regional connectivity and economic integration to facilitate the contracting members. The future economic hub of the Eurasian region has tumultuously attracted to be the part of Belt and Road Initiative to get maximum benefits from it. However, various emanating challenges and geostrategic problems could be proved as an obstruction for this mega developmental project. This paper will examine the regional connectivity and economic integration through Chinese trillion-dollars project. Trade liberalization, new world order, financial investment, and debt system will be evaluated to define the credibility of the new Silk Road. This paper will also discuss the geopolitical importance of BRI, the imperative concern will analyze the growing predicaments and opportunities while pursuing the BRI project. There are exhaustive critiques and skepticisms on the Belt and Road Initiative, which couldn't be denied while Implementing policies at a practical level. The infrastructural and developmental projects will be beneficial for countries to revive their relations, it would definitely revamp domestic and regional connectivity across the Asian continent.

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Introduction

In 2013, President Xi Jinping announced a mega-regional initiative known as "One Belt One Road" to integrate the Eurasian region in a coherent model for international trade and cooperation. This ambitious infrastructural project has two prongs known as "Silk Road Economic Belt" and "21st Century Maritime Silk Road". The concept of BRI is harkened back to follow the ancient Silk Road to annex the Asian continent with Europe. Chinese Belt and Road Initiative (BRI) provides ample opportunities to facilitate mutual cooperation, shared interest, and general prosperity between states. BRI as an extensive project is intended to promote regional cooperation, financial investment, infrastructural development and socio-economic uplifting of the region, this synergetic policy will help BRI-related states to get maximum benefits. Till today, more than sixty countries are willing and indicated interest to be the part of this project, which covers 2/3 of the world population with the collective worth of over 21 trillion dollars of the global GDP. It is nothing less than the most ambitious geo-economic project in recent history, and it seeks to revive the ancient Silk Road. Recent BRI summit on April 26-27, provided an opportunity to promote global economic growth and regionalism, several leaders from more than 150 countries attended this mega summit.

The motives behind this strategy are to achieve geopolitical objectives to make china more assertive in international politics. The growing population of china has also put pressure on its leadership to explore new markets for financial investment to revamp economic growth. Cooperation and financial investment in "Belt and Road Initiative" will bridge the linkage between Asian and European region,

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which are prerequisite for regional integration and economic stability. American's growing economic expansion in Southeast Asia is considered as a hedging policy against China. Besides this project, Chinese incumbent government pledged to restructure the economic conditions of middle-income countries by improving labors-skill quality, increasing import-export indicators, producing the large scale of goods and services to enable countries to support their socioeconomic conditions and economic growth. Shifting the developmental paradigm of different regions will stimulate the economy of contracting partners. In brief, there's immense exigence of sophisticated reforms to achieve the ambition of Belt and Road Initiative.

Theoretical Framework

"State bridging Theory" delineates that early human beings were migrated to America from today's Siberia to link up Asia with American land routes to find the excess to new markets. Similarly, the Belt and Road Initiative is defined to act as a bridge between continents to link-up land routes and Maritime routes through different states to facilitate regional connectivity and economic integration across Asia and Europe. The Belt and Road initiative helps to create liaisons between states and infrastructural development to promote capital flow, human resources, global trade. The relevancy of this Theory focuses on several Bilateral and multilateral agreements to accomplish the ambition of Belt and Road Initiatives. As the sixty-eight countries are participating in this ambitious project to get benefits from it, similarly BRI focuses on massive transcontinental integration and Six

economic corridors of new Silk Route will construct a bridge between the different region of the world.

Grand Strategy of Chinese Government

At a time, when the majority of Western states are distracting in faltered economic integration, renewing protectionism, and short-term policies to avoid any future financial crises. Conversely, China is connecting with the outside world through a series of long-term economic investments to support regional connectivity across the continents. For centuries, the silk road web of trading routes connected major civilizations in East Asia with the Middle East and the European continent. It has invigorated not only commerce but also the exchange of communication between states and determined to develop the ancient silk road. In 2013, President Xi Jinping has proposed to revive the silk road by creating a transportation network and physical infrastructure that would link China to the rest of Asia, the Middle East, and Even Europe. This aspiring project referred to as the one belt and one road combine two major road maps, one component is known as Silk Road Economic Belt which is a land-based transit route that passes through six corridors. The economic corridors of BRI included; China-Pakistan Economic Corridor, Bangladesh-China-India-Myanmar Economic Corridor, China-Central Asia-West Asia Economic Corridor, China-Indochina Peninsula Economic Corridor, China-Mongolia-Russia Economic Corridor, New Eurasia Land Bridge Economic Corridor. Along with these specifications, Beijing seeks to bolster physical infrastructure by constructing highways, railway tracks, bridges, pipelines, hydroelectric dams. The second component is known as Maritime Silk Road, which seeks to diversify China

supply-lines along its eastern coastlines, by constructing shipping forts, hydrocarbon refineries, industrial zones, etc.

Geopolitical perspective and BRI

The belt and road initiative are more than just a physical connection, it will also serve China domestic and foreign objectives because it helps to mitigate the country dependency on the existing sea lanes. Currently, its 90 percent trade goes through maritime routes and is beyond the control of Chinese administration because the water regions like the Yellow Sea, the East China Sea and South China sea have a strong presence of American Military. While the maritime checkpoints like strait of Malacca through which roughly 80 percent of China crude oil imports through this checkpoint is under the control of U.S naval force. The additional flashpoints for China such as its reliance on US naval force are necessary to keep a check on maritime trades. But being the biggest geopolitical rival, china couldn't indefinitely rely on Washington to protects its shipping routes. In this context, the BRI could serve as a contingency plan that will diversify the foreign trade routes between Chinese cities and Global markets. For instance, as the part of BRI, China is constructing mega projects in South Asian region for the convenient and easy access to the Indian Ocean without passing through a long route of the South China Sea and East Asian region. Six major economic corridors will help China to achieve the ambition of accessing the majority of the world through this project. Another motive for the BRI is that Chinese monumental rampant economic growth has created enormous disparity across its territory. The inconsistent wealth is noticeable between the rural western interior and metropolitan eastern coastline,

but the divergence goes beyond finances. The lack of wealth affected the living standards of backward areas of China. If China wants to secure its long-term stability, it must mitigate the disparity between two territories by enhancing the inland region's access to foreign markets, this is bound to be a long and complex process but for China, the BRI offers to start fortifying the prospects of the interior regions. Since its revelation in 2013 the construction initiatives have brought substantial results in the interior cities. Developing transits and developing infrastructure networks will help these regions to connect themselves to major parts of the world like the Middle East, Central Asia, and even Europe. Chinese administration is working to develop the fifty special economic zones to facilitate cross border commerce.

Besides investments in the interior region of China, Beijing is also financing projects in the volatile nations in Central Asia to bring some sense of stability along the Chinese western borderlands which are necessary to suppress the Tibetan insurgents and Uyghur separatist attitudes. However, this is the threats that conflict-ridden regions in Central Asia and China will disrupt the continuation of BRI ambitions. Moreover, the improves transit routes are likely to enhance the mobility of illicit good into china itself, a proper reconnaissance and surveillance could distract these illicit activities, which is considered as a sensitive issue for Chinese administration and policymakers because of the long-standing separatist tendency in the west of China. Therefore, in addition to funding, China must combat transnational risks by assisting and cooperating with the security groups in

the central Asian countries, yet as china provides funds into the areas and bolsters the local defenses against terror activities.

Russia considered Central Asia as a crucial component in its sphere of influence and views any form of non-economic activity in the region as a threat to its national security, that's the reason whenever there would some political upheaval and disorder Russia will be there to combat the situation. Although, Russia welcomes Chinese investment in Central Asia and believes that economic stability will bring about much-needed political stability. China and Russia both are on the same page to counter western perspective and intended to make an efficient economic union for regional integration and economic liberalization. Russia considered Central Asia as a southern backyard and Putin administration makes it explicitly clear that any intervention in the heartland by western power will be considered as a national threat and Russia has right to protect the national sovereignty. In short, it becomes mandatory for Putin to protect the heartland of Asia at any cost. As the nexus of Russia with American has been deteriorating, which forced Putin to pledge to establish a bridge to integrating the Eurasian Economic Union with BRI. It would be an advantageous edge for Chinese republic to avail this opportunity and also assist Russia to increase its influence in the region. The geopolitical analysts have already been predicted that whoever controls the heartland will ultimately control the world.

Another geopolitical rival that is suspicious of the belt and road initiative in India. New Delhi feels an agitation that Chinese economic activities in Pakistan will undermine the Indian claims in the contested Kashmir region as such India fiercely

opposes the Flagship economic project CPEC. Indian government sees the Chinese expansion in the region as a de-facto hostile act which must be controlled, strategic developments are followed by India to contain China. However, India options for retaliation with the help of USA is still there to counter Chinese regional dominance. The BRI presents a compatible opportunity for India as well to be part of this tremendous project to facilitate the national interest of the country.

The final geopolitical rival that is exasperated with Belt and Road Initiative, is the United States of America. Trump's administration is seriously concerned about the Chinese diversification of its trading routes will obviously undermine American naval leverage in the Indian Ocean and Southeast Asian region, which could intimidate the global hegemony of America. This geopolitical shift will allow China to impose its dominance in the maritime peripheral regions. In addition, to develop the regionalism and diversifying trade, Xi Jinping flagship initiative is his clearest breakthrough from Deng Xiaoping's geopolitical philosophy as he mentioned that "Observe calmly, secure our position, cope with affairs calmly, hide our capacities and bide our time, be good at maintaining a low profile, and never claim leadership". China intends to replicate the soft power experience in Asia with the belt and road initiative. China has already been a major trade partner with many states in Asia and even in Europe but the BRI is assisting China to expand its trading ties by extending favorable financing terms across the regions through its financial institutions. Chinese policymakers are anticipated that these international and commercial ties will grant China a greater edge to the Asian and European continents in the coming decade.

Beijing soft power image is already showing a sign of tremendous success in some areas like the Southeast Asian region and Central Asia. For instances, the growing trade ties of China with southeast Asian states are a good gesture to integrate these regional states into a unified network. Furthermore, the presence of Chinese firms in these regions also helps to increase the credibility of Beijing' s territorial claims. In the future, using this project as a soft power indicator will also provide assistance to China to resolve the territorial and maritime disputes in future. China has also approached every contracting member to create the trust-based relations and it shows greater flexibility in recent time. The BRI also have some consequential drawbacks, as the hundreds of bilateral agreements of china with other countries will further embroil the financial structure of Asia, which could create political instability in the region. Another drawback is the fact that Chinese are following "hands-on approach", which essentially means that every project will be implemented by Chinese firms. Even China would send their own workers, raw materials, managerial skills, technologies, security personals to foreign countries to complete the task as soon as possible. This practice will assure more effective work schedules and to minimize the misappropriation, embezzlement of allocated funds, but the heavy reliance on Chinese investment will aggravate the resentment in various state. Regardless of these complications, Incumbent Chinese government is audacious to push ahead of the Belt and Road Initiative in the eyes of Chinese policymakers, to complete it as soon as possible.

Funding Institutions for Belt and Road Initiative

Additionally, more than 1700 projects with a value of about 1 trillion dollars which fall in the spectrum of BRI initiative, will help to enhance regional connectivity. Though restoring the ancient silk route is an expensive project and stringent endeavors are required to fund the construction initiative and regulate the enormous cash flow to all member states. The Chinese government has set two new financial institutions, one is the Asian Infrastructure Investment Bank, and another is a Silk Road fund. The AIIB is a multilateral capital bank to regulate the economic projects of BRI. Its organizational structure is like the IMF and WB. Another institution is the Silk Road Fund, which holds 40 billion dollars and falls under the supervision of the Chinese central bank. Its objective is to invest in projects to operationalize them in the due schedule rather than extending loans for it. Yet, perhaps the biggest financial contributor is the China Development Bank and the Export-Import Bank of China. The central bank has pledged 90 billion dollars spread over the course of several years, additionally, funds for construction initiatives could originate from China foreign exchange reserves and the country sovereign wealth fund which holds 3.7 trillion dollars and 220 billion dollars respectively. These financial institutions will also provide opportunities to overcome the yearly shortfall of about $800 billion.

BRI; As a tool of cooperation

Chinese policymakers are striving for "win-win cooperation" to create a diverse opportunity for every member state to get maximum utility from the BRI project. Xi Jinping concludes that the exchange of good and services will replace the

estrangement and hostilities between states, similarly, mutual coordination will restore the conflicts into goodwill. It will bring all countries under a harmonious platform to address and promote their national interest without any superiority. Regional experts are expecting the immense number of economic growths to improve regional integration. In short, Belt and Road is not a geopolitical framework but as a tool of mutual cooperation to support reciprocity. Chinese leaders are committed to reshuffle the economy of peripheral and semi-peripheral states to increase regional cooperation. New energy resources, trade supply lines, imports-exports, new market avenues, extensive labor-power, production of goods and services, the regional and international partners will proliferate the economic connectivity and regional cooperation. The distinguish opportunities for regional integration, economic connectivity, commerce, exchange of goods and services will be beneficial for member countries. This project will help to overcome the socioeconomic issues, increase regional security and political stability in the region.

Belt and Road Initiative, its challenges for regional integration

Primarily, Regional security of Asia could be the major issue for Belt and Road Initiative, which could disrupt the economic activities. There are two dichotomic players in BRI project, some states want to contribute according to their economic strength, but other countries are unwilling to share their economic assistance and claimed that China itself will pay for all kind of expenditure, in the end, China will a prominent beneficiary of this project. Growing suspicious about the debt interest rate, investment in enormous projects, political and public resistance, criticism by

the international organizations making this infrastructural project more ambiguous. These opaque challenges must be addressed and concentrated by the Chinese republic to avoid any future threats.

Perception Management is one of the major challenges for Chinese administration because different external and internal debates have been generated the propaganda, spreading misinformation about BRI by some forces to disturb the materialization of this Project. The image is portraying to blame China for strategic dominance over the region. The changing dynamics of the region will adversely impact actors like USA and India etc. Their policies will ultimately affect the Belt and Road Projects. Another challenge for BRI is establishing the "Indo-Pacific Initiative" by countries like the USA, Japan, Australia, and many other developed countries to bring BRI-related countries in the opponent bloc. Likewise, geopolitical tensions between China and west will bring political instability, unexpected high risk of insecurity and economic loss for regional integration.

Lacking regular communication with member states about the construction of infrastructure and uncleared capital flow must be focused to overcome these problems. Effective implementation of strategic policies will help various stakeholders to analyze their estimated interest. The common geostrategic interest of all member states should be negotiated before formulating the final destiny. The common interest would further create the reasons to develop collective responsibility for all existing stakeholders. Chinese administration should work out to convince neighboring states and address their national ambition towards BRI project. Diversification of multiculturalism and different economies could be a

stumbling unit to move forward the new Silk Road, which could be another headache for China and other developing countries as well. In addition, The BRI commencement was strategically tactical and will explicitly benefit China in economic booming, technological advancement, industrial up-gradation, and regional integration.

Critics are there to castigate the Chinese's geopolitical ambitions that it would hurl developing and contracting members into "Debt-Trap" and will enable them to stilt again. Such conspiracies are led by the USA to create stumbling blocks for Belt and Road initiative, some strategic analysts considered this project as a Chinese endeavor to promote international economic integration for shared interest and some analysts called this just as a tool to dominate the Asian continent. The Debt funding of China threatened several developing countries and give rise to a huge number of oppositions. Political backlash, inflated costs of infrastructural projects, lacking transparent process and hand-on approach of Chinese firms are major challenges for Belt and Road Initiative. The unsettling economic expansion has created serious predicaments for the United States of America. Trump Administration indicated that Chinese BRI project could be a Trojan horse and it would dominate the Asian region and increasing the military muscles could lead to the rising of a security dilemma.

The United States with the aim of economic and political stability in Asia has been drastically failed after investing billions of dollars. Some experts believe that Chinese investment in BRI project in several regions will also facilitate the U.S interest. At the same time, China is motivated to invest to build a bridge along

western hemisphere to boost up the global economic growth but the USA with the help of major proxies are impeding the Chinese ambition. Various separatist and insurgent groups disrupting the constructing activities, which is the major priority of Beijing to dismantle them. Another objection has been arising from India, who are trying to convince countries that BRI is not more than a Debt trap and Chinese ambition is based on regional dominance. They have called this strategy "string of pearls" where China will get control of all maritime chokepoints to dominate Asia.

In addition, India is a counterweight opponent against Chinese dominance in the Asian region which could disturb the proper operationalization of BRI. Semi-peripheral states are also trying to maintain a balance in Belt and Road Initiative, various countries are deeply observing the BRI projects and Chinese investment. Japan has also persistently disagreed with Beijing over different projects when it comes to regional connectivity, long-standing suspicious infrastructural development projects enforced Tokyo as a part of the Western squad. Unresolved Senkaku Islands disputes is also a major bone of contention between Beijing and Tokyo. European countries are indecisive and ambiguous due to traditional ties with the United States and proposed invitation of BRI by China. Though, Europeans are considering Belt and Road initiative as a tremendous project which could help to create promotion of multilateralism.

Opportunities for regional integration

BRI is an ambitious plan to connect Asia, Europe, and Africa via networks of roads and railways with the aim of improving regional integration and trade from the

Atlantic to the Pacific. The Chinese new initiative of Belt and Road concept is intended to structuralize the global economy. The realization of the BRI will greatly impact the connectivity of the countries and integration of the thousands of the different societies living in the region. The Belt and Road Initiative will bring several social, economic and cultural opportunities for more than 65% world population. BRI will facilitate the economic, social, financial, strategic, diplomatic, geopolitical and geo-economic elements of this region. The Belt and Road initiative and its economic corridors could comparatively improve regional connectivity, international trade, foreign investment in different countries and enhance the living qualities of citizens in member countries.

To get maximum reciprocity, China could opt formulation of analytical policy reforms that will help to increase transparency, expansion of financial flow of capital, mitigation of environmental risks and socioeconomic issues. These feasible opportunities will pave the way for China to move forward for bringing peace and stability in the Eurasian region. Belt and Road Initiative will provide a new horizon of feasibility for all member states and help them to uplift their economic conditions. The most important impact will be connecting countries with a minimum traveling cost and easy accessibility to the global markets. Reducing the expenses of transporting goods and services is another positive narrative of Belt and Road Initiative. BRI will reduce the shipment time and cost for the member countries. The shipment times will come down by 8.5% or in fortunate case, by 12%. Like in case of CPEC, Chinese access to the Persian Gulf and Africa through

Gwadar port will be reduced by 12500 Km as China will no longer be dependent on shipping through Strait of Malacca in Southeast Asia.

1. Trade costs of goods and services have a substantial impact on trade flow, a lower cost will help countries to increase the export ratio.
2. Efficient transportation network and the development of infrastructure will increase economic expansion and will attract foreign direct investment.
3. Similarly, Advanced infrastructure, industrialization, and technological cooperation could be a major turning point to support the regional economic integration
4. In addition, BRI infrastructural project could be the beacon to expand bilateral and multilateral commerce, the participation of developed economies will help to boost up foreign investment and reduce poverty to improve the per capita income by minimizing trade cost.
5. Similarly, this project will make a bridge of relationship and economic integration between all member states to improve regional integration. The Chinese estimated $1 trillion dollars on BRI will undoubtedly improve the physical infrastructure and will enhance trade networks across the region.
6. Beijing is significantly focusing on the diversification of export markets for Chinese products and will serve the economic interest of China. Further, improving China's energy security through diversification of import sources and expanding markets for Chinese industries is also a prominent motive behind BRI project. BRI is also providing an opportunity to renovate the underdeveloped areas.

7. Belt and Road Initiative will also increase the efficacy of the multinational organizations and Chinese firms.
8. Developing countries could utilize their foreign exchange reserves to utilize them in the most compatible way and to extend their economic and geopolitical sphere of influence.
9. The Chinese policymakers are struggling to enhance China's status as a great power to maintain the new world order.

Most interestingly, china hasn't restrained countries to follow Chinese approaches, but they do have the authority and decision-making framework to adopt their own strategy to join BRI. Great challenges and opportunities are there to obscure the completion of Belt and Road Initiative, but it depends on the Chinese leadership to tackle it with the most comprehensive perspective.

Recommendations

- The political and economic gaps must be concentrated for the smooth functioning of New Silk route like Custom Unions should he establish for quick clearance of shipments etc.
- Most importantly, Chinese policymakers have sought to propose an idea to manage political and Diverse cultural values differences, which disrupt the implementation of policies.
- Tackling the different governance System will be a serious challenge for China to convince other states. Though there's no as such example of a largest ambitious infrastructural project, several challenges would be there to counter.

- The economic negotiation between USA and China should be started to avoid any adversary and it will fruitful to fill the vacuum of bilateral relations.
- All member countries should need to incentivize long-term strategies to facilitate the rapid economic outcome.
- Improving physical infrastructure and regional connectivity, trade barriers will need to be changed into soft conditions. The legal and regulatory framework also required in all economic corridors to reduce trade costs.
- Providing efficient security arrangements are indispensable to ensure the security of goods and services to protect the financial investment.
- travelling across the BRI can also help protect investments. Advancements in information and digital technology and automation can help improve multimodal transport connectivity by creating digital and information-sharing networks, collaborative platforms and opportunities to improve efficiency and supply-chain resilience
- There should be flexibility in the Chinese business model to serve the best interest of participating countries, this will increase the successful predictability of Belt and Road Initiative.
- Inclusiveness of the nature of BRI should be implemented to provide easy access for foreign countries to join this exceptional Initiative.
- The complex financial system must be amended to ensure smooth policies for investment in all constructing projects, decentralization of funding institutions will help countries to improve the capital flow.

Conclusion

Since 2013, A lot of progress has been made after the Xi Jinping's announcement of Belt and Road Initiative, which could categorize in four major perspectives. Firstly, several developmental and Infrastructural covenants have been signed with a large number of participating countries and they're willing to be the part of this eminent domain. Secondly, major progressive developments have been taking place to improve infrastructure and regional connectivity by constructing railways, highways, energy pipelines, security networks, maritime routes, etc. Thirdly, Different paradigms of financing projects have been established to provide a practical implementation of Belt and Road Initiative. Lastly, promoting regional cooperation and economic integration will be achieved with the assistance of multinational organizations to facilitate bilateral and multilateral agreements between states. Despite, achievements and progress in multiple projects, we couldn't deny the challenges while the practical implementation of the Belt and Road infrastructural project. Long-term economic and mutual benefits will serve the national interest of all contracting states especially china to mitigate the economic disparity in the Chinese region itself. Technical advancement, extensive labors power, managerial skills, extensive and comprehensive policies will be a building wing for the sustainability of this ambitious project. The growing influence of regionalism will help countries like China and Russia to integrate the Eurasian region. Sharing according to their economic power and mutual strenuous efforts will serve common objectives. Verily, the biggest contribution of this new silk route will be the formulation of a global economic system and it will definitely change the narrative of the world-system. Improved infrastructural development

and regional connectivity, fortifying the economic cooperation, increasing interactions between local governments with effective communication channels, new political and diplomatic ties could be ameliorated between member countries under the domain of Belt and Road Initiative. The advancement in communication, 5G-technology and automation system could assist to improve regional connectivity and economic integration.