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## **Addressing China's Economic Great Power Ambitions Through the Implementation of the Belt and Road Initiative**

Borrenbergs, Wesley

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# In What Ways Does China's Implementation of the Belt and Road Initiative Address its Economic Great Power Ambitions?

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Faculty of Social and Behavioral Sciences

Wesley Borrenbergs  
S225255

Supervisor: Stephen Haigh  
Second Reader: Marco Verschoor

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## **Chapter 1: Introduction**

Since the end of the Cold War in 1991, the U.S. has been a hegemon in the international system with its sheer unrivaled economic and military prowess as well as its successful implementation of foreign policies to exert powerful influence across the world. With its power unmatched, the U.S. dictated the international system and reshaped the international order in their image. Nonetheless, since the beginning of the 21<sup>st</sup> century, scholars have notably highlighted the perceived shifts in the power dynamics of the international system with the decline of the West and the re-emergence of China as a powerful competitor.

China's re-emergence as a great power is unprecedented, especially in terms of the speed and scale (Rachman, 2011). With the addition of its Belt and Road Initiative, the largest transcontinental initiative implemented by a single nation, China has the potential to radically alter world trade in achieving its economic great power ambitions of becoming a peer competitor to U.S. led dominance.

### **Belt and Road Initiative**

In 2013, whilst on visits to Kazakhstan and Indonesia, China's President Xi Jinping first unveiled his One Belt One Road (OBOR) Initiative or Belt and Road Initiative (BRI). The aims of the implementation of this foreign policy is to revitalize transport, infrastructure and trade links along the historic routes of the Silk Road through the enhancement of regional interconnectedness among 140 Eurasian countries. Ultimately, China's personal gain from this ambitious plan is to not only boost its influence on the international stage through geopolitical strategic advancements, but also to tackle its slowing growth through global trade and investment agreements in order to establish its presence as a global economic great power, one that is capable of rivaling the U.S.

The Belt and Road Initiative is one of Xi's most prominent foreign policies and it has the potential to be the largest initiative covering almost two-thirds of the world's population, one-third of global GDP, and a quarter of world trade (McKinsey, 2016). The BRI consists of two key elements: the Belt, or new Silk Road, a land based development of road, rail, gas pipelines, airports, harbors and related infrastructure connecting inner China to Europe through Central Asia and the Middle East; and the Road or maritime project involving ports, shipping routes, and maritime infrastructure connecting China's east coast to south Asia and Europe through the Indian Ocean and Central Africa to North Africa (Enderwick, 2018). The scale and complexity of the BRI means that its access to key cities and ports will be vital and thus, the focus will be on six "economic cooperation corridors": the a) New Eurasia Land Bridge; b) PRC-Mongolia-Russia; c) PRC-Central Asia-West Asia; d) PRC- "Indochina Peninsula" e) PRC-Pakistan; and f) Bangladesh-PRC-India-Myanmar corridors (Enderwick, 2018).

Figure 1



Source: Mercator Institute for China Studies (2017)

The BRI presents a variety of risks common to large infrastructure projects. These include debt sustainability risks amongst numerous corridor economies, environmental risks such as the increase in production of higher carbon dioxide emissions worldwide and social risks such as gender-based violence caused by the influx of workers (World Bank, 2008). The risks conducive to China's BRI means that it will have a disproportionate effect on its partners involved. Importantly, China's priority is its pursuance of economic growth in competing with the U.S. led dominance thus, by focusing on achieving relative gains rather than

absolute gains implies that states cooperating to the BRI have to adopt a self-help behavior in alleviating the risks that arise.

### **Aim of the Research**

This bachelor thesis aims to contribute to the discussion on China's economic great power ambitions through its implementation of the BRI. With China's re-emergence as a great power comprising over the second biggest economy in the world and the decline of the West since the 2008 financial crisis, the BRI poses imminent challenges the US unipolar dominance. Therefore, China's implementation of the BRI does not only contribute to the discussion on China economic great power ambitions, but it creates more general implications for great power politics altogether.

According to Dunford (2021), "great power competition had become the primary focus of US national economic and security strategies and is reflected in a range of measures designed to prevent the rise of China, and address the relative economic decline of the US itself" (p. 101). With the US portraying China as an aggressive expansionist power and its national security strategy identifying China as the main threat to "US influence, interests, power, and values" is the topic surrounding the clash between great powers becoming increasingly salient in international relations scholarly discussions (United States The White House, 2017, 2, 25). By advancing the BRI does China not only continue to pose challenges towards US-led international liberal rule-based order but it also seeks to reshape the international world order.

## **Research Question**

In what ways does China's implementation of the Belt and Road Initiative address its economic great power ambitions?

## **Chapter 2: Literature Review**

One of the major developments of international trade and international relations this century is China's BRI. China's implementation of the BRI is commonly discussed among many scholars as being one of their many strategic threats to enhance their international image. Nevertheless, academic scholars are divided in their understanding of China's true motivation and intentions behind the implementation of the BRI. As stated in the introduction, China's motivation behind the success of the BRI is twofold: its economic interests and geopolitical motivations. Therefore, the following section will be divided into two sections. The first section will discuss China's economic interests behind the implementation of the BRI, while the second section will discuss China's geopolitical motivations behind the BRI.

### **China's Economic Motivations Behind the BRI**

In a new era of globalization, academics have argued that China's economic motivations behind the BRI will be to pursue its soft power economic diplomacy, to explore new opportunities to sustain its economic growth, and to reform the international economic and monetary system. Through the successful implementation of the BRI, China will be seeking to thrive under the international economic system currently in place, in order to withstand its complex and profound changes (Barillé, 2020).

## **China's Pursuance of Soft Power Economic Diplomacy**

Many scholars emphasize that China's primary objective is to promote a win-win cooperation among the recipient countries involved in the BRI. This was stated by Xi Jinping himself, bringing forward ideas such as the "Asia Dream" and "Community of Shared Future" to allow countries to commonly prosper from the initiative together. According to Huang (2016), the BRI differs from other existing economic organizations in that it is a project inclusive to all countries, partners and regional/international organizations alike.

Furthermore, it is even stated that the BRI stimulates the guiding principles of "openness and cooperation, harmony and inclusion, tolerance and respect for the choices of other countries, peaceful coexistence, mutual benefits and a win-win for all countries involved" (p. 116).

Chinese officials behind the implementation of the BRI are therefore adopting and promoting a liberal economic vision of a win-win narrative that will incentivize states to cooperate in pursuing absolute gains. By promoting a liberal global economic order and win-win cooperation, China is pursuing soft-power economic diplomacy (Barillé, 2020). Presenting China as an equal player rather than a dominant player to all of its partners signifies its soft power diplomatic strategy to appeal to developing countries..

Scholars also argue that the BRI is a particularly effective strategy in promoting soft power diplomacy since China can rely on its huge economic reserves to fund projects in more than 60 countries (ibid.). Yağcı (2018), argues that countries can rely on their hard power resources, in order to implement their soft power much more effectively. Additionally, by promoting an attractive narrative, such as the revival of the ancient Silk Road that historically has provided mutual benefits to its participating countries, China is seeking to revive

memories from the prosperous trade era to get as many supporters to the initiative it can gather. In many of his speeches, President Xi Jinping describes China's dream of restoring its glorious legacy from the Silk Road era (Schortgen, 2018, p. 20). Holmes & Yoshihara (2008) argue that China's emphasis on the former harmonious trade establishment is quintessential to China's promotion of the peaceful establishment of the BRI.

### **Exploring New Opportunities to Sustain China's Economic Growth**

Over the past decade, China has suffered from "slower economic growth", "industrial overcapacity" and "underdevelopment" in the western rural areas (Cai, 2018, p. 838). Therefore, China's implementation of the BRI provides it with a chance to expand its markets, address its domestic challenges, and explore new opportunities to sustain its economic growth. According to Stratfor (2015), currently 80% of China's trade routes and key chokepoints are controlled by other nations. However, this challenge to China's economy will soon not be a problem as China continues to make massive investments in port facilities around the world (Enderwick, 2018). According to Kynge et al. (2017), two-thirds of container traffic in the world passes through Chinese-owned or invested ports. In addition, China's less connected regions, particularly the area of Xin Jiang, will also benefit from increased utilization of trade routes, and in accessing new markets (Zhou et al., 2015).

The BRI also contributes to an economical upgrade in China as it enables the country to move up the value-chain by increasing its exports of higher-technology goods (Enderwick, 2018). Chinese companies will benefit from knowledge creation and sharing as they collaborate with overseas projects which ultimately, enhances the productivity of domestic construction companies. Moreover, significant gains are to be received by local agricultural,

mining and shipping firms. The BRI will similarly also provide an opportunity for China to shift its overseas lower value-added manufacturing, an area where the country has significantly lost its comparative advantage (ibid.).

### **Reforming the International Economic and Monetary System**

According to Schortgen (2018), the launch of the AIIB as a financial instrument of the BRI reveals "China's frustration with the continued Western dominance of the WB and IMF" (p. 25) Thus, scholars discuss the importance of BRI in exerting greater influence in the international system by implementing financial instruments such as the AIIB, which allows China to form its own rules that the current international monetary system considerably prohibits. In addition, with Chinese currency being the primary currency used by all BRI partners for infrastructure construction, scholars predict that the global use of the RMB will increase rapidly (Barillé, 2020). China's BRI provides China with an opportunity to become a strong adversary to the US led dominance through its development of the AIIB and the subsequent internationalization of the RMB.

### **China's Geopolitical Motivations Behind the BRI**

According to many scholars, China's BRI is seen by the United States and its allies as a zero-sum geopolitical threat to their economic dominance (Dunford, 2021). Its international expansion strategy has therefore caused increasingly more researchers to examine what its true geopolitical motivations are behind the BRI. Academics argue that China's motivation

behind the BRI is its aims to expand its geopolitical influence across multiple regions and to secure access to energy resources.

### **Expanding China's Geopolitical Influence Across Multiple Regions**

The widespread geographical scope of the BRI allows China to expand its geopolitical influence in multiple regions. According to scholars, the BRI land routes extends to the European Union through a mesh of transcontinental railway lines, highways, power grids and pipelines (Wey, 2022.) It will therefore provide China with immense economic benefits and secure its geostrategic benefits. Moreover, by developing a western frontier, China will be able to reduce its reliance on eastern seaboard zones which allows it to create additional economic zones in western spaces to sustain its economic growth (ibid.). Scholars argue that China's reliance on sea lanes and maritime logistics means that its investments in the BRI maritime sphere will prepare the necessary support bases for potential future naval strategies and strategic interests. Thus, the BRI will aid China in sustaining its nation's maritime power and extending its geopolitical presence in the world (ibid.). The extent to which China is able to expand its geopolitical influence across multiple regions remains to be determined, nonetheless, the implementation of the BRI continues to inevitably transform the current geopolitical landscape by influencing Europe, Eurasia and Asia Pacific in competing with the US (Wang, 2021).

### **Securing Access to Energy Resources**

In cooperating with its partners of the BRI, China aims to gain long term access to energy resources in strengthening their geopolitical outreach. According to many scholars, China

will benefit from a more secure access to critical energy resources. Enderwick (2018), argues that the BRI will allow resources such as oil and gas to be transportable by rail or pipeline to and from China which will be much more advantageous compared to China's current over-reliance on sea borne transportation. By extending its geo-political influence, China will be active investors in the BRI region. Mah (2016), argues that since China's implementation of the BRI, Chinese businesses have owned almost a quarter of Kazakhstan's oil industry and control more than half of Turkmenistan's gas exports. Moreover, China continues to be actively involved in the resources sector in Uzbekistan.

### **Chapter 3: Theoretical Framework**

#### **Understanding the BRI Through International Relations Theories**

Since China proposed the BRI, scholars have actively discussed its political, economic and strategic implications (Wang, 2021). This academic debate stems from the different theoretical lenses that scholars apply when examining the BRI which reflects different points of views among researchers. According to Walt (1998), "no single approach can capture all the complexity of contemporary world politics" (p. 30). Therefore, what this theoretical framework aims to achieve, is a complete and diversified understanding of the international relations theories that apply to the BRI. By juxtaposing these theories in a discussion, will China's true strategic intentions of the implementation of the BRI be apparent. Additionally, utilizing a multidimensional approach improves the internal validity of the analysis with use of multiple competing theories rather than applying a single theory in assessing China's complex foreign policy implementation.

## **BRI through the Realist Perspective**

Realists define interests in terms of power and maintain that international politics is ultimately a struggle for power and interests (Morgenthau, 1948). Therefore, realist scholars are often skeptical of China's official BRI rationale on peaceful development and common prosperity (Wang, 2021). Many realist scholars believe that China's ambitions to maximize security by gaining power will ultimately lead to a catastrophic clash between the status quo power and rising power, as such power transitions have led to similar scenarios in the past. Therefore, they believe that the BRI is a catalyst for another dangerous process (Wang, 2021).

The importance of dividing structural realism into two competing theories: offensive and defensive realism has several implications to understanding China's BRI. On the one hand, offensive realists such as Mearsheimer (1994) argue that states seek to maximize their power relative to other states. On the other hand, defensive realists such as Walt (1997) claim that states seek relative gains to maximize their security. The distinction between the two theories are discussed and applied to the case of China's BRI.

Offensive realists argue that "the ultimate goal of every great power is to maximize its share of world power and eventually dominate the system" (Mearsheimer, 2014). China's adoption of the BRI signifies its ambitions of becoming a regional hegemon in Asia as the initiative is viewed as one of the most important strategies in achieving that goal (Wang, 2021). They argue that China's official rhetoric largely focuses on economic cooperation and prosperity whilst downplaying the security dimension and implication of the BRI (Wuthnow, 2017).

Therefore, offensive realists believe that the BRI will substantially increase China's influence in Asia which will likely enable them to end up in an intense security competition with the United States (Mearsheimer, 2014). Offensive realists emphasize the importance of the political and security implications of China's BRI and are generally pessimistic in predicting a future characterized by the inevitable Sino-US competitions and conflict (ibid.).

Conversely, defensive realists adopt a rather optimistic approach to China's rise in power. Similar to offensive realists, they argue that the structure of the international system creates strong incentives for China to enhance its power, leading to a security competition in Asia (Barillé, 2020). Nonetheless, defensive realists claim that China will only seek to enhance its power in a moderate way, one that will not provoke an alliance of great powers against it. With China experiencing immense economic growth in the last decade without initiating attacks on other states, shows that security competition between great powers does not always lead to conflict. According to Dunne, Kurki & Smith (2013), "China should be able to coexist peacefully with both its neighbors and the US" (p. 89). However defensive realists argue that the possibility of China acting on its own domestic interests in waging conflict should never be disregarded.

### **Relative Gains vs. Absolute Gains**

Proponents of realist theory argue that, "in the anarchic international system, states consider relative gains more important than absolute ones" (Waltz, 1979; Mearsheimer, 2001). States are less interested in the amount of their overall gains (absolute gains) but seek to accumulate more gains in comparison to other states (relative gains). Thus, it is in the interest of states to increase its own capacities, by strengthening its own power in relation to another state

(Barillé, 2020). As a result, from the perspective of a realist, international cooperation is difficult to achieve because each state is reluctant to cooperate even for mutual gain. The fear that other states will enjoy relatively greater benefits by using that additional power gained against them in the future is what impedes mutual cooperation. The relative equal distribution of benefits to cooperating states is therefore incentivized yet difficult to achieve.

According to Morgenthau (1978), states will only decide to cooperate with other states if it cannot rely on its own military strength and if the benefits of an alliance outweighs the commitment it entails. In the case of China's implementation of the BRI, mutual cooperation will be dependent on whether states are willing to cooperate in the balance of power. On the one hand, offensive realists such as Mearsheimer (2010), argue that states are more likely to engage in "buck-passing" behavior "to get other states to assume the burden of checking a powerful opponent while they remain on the sidelines" (p. 83). On the other hand, defensive realists argue that states are still interested in absolute gains and will use cooperation as a way to enhance their power (Peou, 2002). Therefore, the success of China's implementation of BRI will be dependent on states' intentions of cooperating. Nonetheless, realist scholars have argued that states cannot ignore the relative-gain consideration and are more cautious about the consequences of a potential Sino-centric order established by China's BRI (Wang, 2021).

### **BRI through the Liberal Perspective**

Similar to realism, liberalism argues that states are rational actors within the international system (Baldwin, 1993). However, liberals reject the idea that anarchy irreversibly leads states to adopt a self-help behavior, rather, they argue that the domestic characteristics of a state is what determines its behavior in the international system (Barillé, 2020). With China's

rise to power, liberals tend to focus on its domestic characteristics such as culture, policies and ideology (Li, 2008). According to Keohane (1984), liberals take into consideration the domestic characteristics of each state causing some states to have hostile tendencies whilst other states to be inherently peaceful. No matter the difference, states do not have the objective to seek power, but to ensure their economic prosperity and stability in the anarchic system (Barillé, 2020). China's implementation of the BRI can be understood as a further integration into the liberal order. China's dependency on export-oriented growth means that it cannot work without the global economy, implying that a rising China has a committed interest in maintaining global trade and prosperity (Wang, 2021). Li (2015), considers China's BRI as a new round of China's opening up, as it attempts to promote infrastructural connectivity and regional cooperation. Furthermore, they argue that China and its recipient trading partners have a common interest in maintaining economic prosperity, and therefore international cooperation increases each other's absolute gains. Additionally, economic interdependence increases the costs of conflicts and reduces the tensions related to the strategic competition between China and the US (Feng & He, 2018).

In contrast to realists' belief that BRI would expand China's economic and political influence at the U.S' expense, liberal scholars argue that China does not have the intention or the capacities to challenge and overthrow the current liberal rule-based international order (Wang, 2021). According to liberals, the current liberal rule-based order is so resilient that China's BRI will follow the rules of the system. Furthermore, with China being one of the biggest beneficiaries to the existing system, will they continue to show unwavering support of the current liberal order in place (ibid.). Liberals argue, particularly liberal internationalists and institutionalists, that the liberal rule-based order is durable and capable of accommodating the rise of China, including the BRI (ibid.). Moreover, liberal scholars such

as Ikenberry (2018), argue that if the US were to reinforce the rules and institutions that the West has established over the last century, that this would ensure China's acceptance to the current rules of the game, thereby exercising their economic power within the existing international order. Therefore, he concludes that China, "does not have the ideas, capacities, or incentives to tear down the existing international order and build a new one" (Ikenberry, 2012, p.55). Nonetheless, one logical flaw in this liberal perspective is that although China continues to depend on and benefit from the current liberal rule-based order in place does not mean China will continue to accept Western rules and values (Wang, 2021). In other words, China is in many ways dissatisfied with the current global institutional presence, which is evident in China's call for reform of the international monetary system after the 2008 financial crisis (ibid.). Scholars have argued that China as a rising power is no longer a rule-taker, instead it can be considered in between a rule-maker and a rule-breaker (ibid.). This means that China's leadership does not intend to overthrow the existing international order but to incrementally implement reforms to current international institutions (Wang, 2007).

### **BRI through the Constructivist Perspective**

While realists are more cautious about the consequences of a potential Sino-centric order established by the BRI, liberals are more confident that China will comply with the liberal rule-based order by attaching great importance to rules and institutions (ibid.). Additionally, constructivist scholars emphasize the cruciality of examining China's top leadership's outlook of the BRI through understanding how the leaders of China view China's role and position in the international system (ibid.). Special attention should therefore be directed towards Xi Jinping's expression of ideas on the "China Dream", "Asia Dream" and "Community of Shared Future"(ibid.). China's dream essentially means "to make China a

thriving country, revitalize the Chinese nation and enhance the well-being of the Chinese people” an economically prosperous plan that can be achieved through the success of the BRI. The China Dream demonstrates Xi Jinping’s confidence to make China a powerful country (ibid.). Callahan (2016, p. 1) has followed the constructivist approach to argue that “Beijing is combining “new ideas (China Dream, Asia Dream), new policies (comprehensive diplomacy and security), new institutions (AIIB) and new projects (the BRI) to build what Xi calls the ‘community of shared destiny’.” By promoting economic and regional cooperation, China intends to build a community of common identity, destiny and purpose. The motivations behind China’s BRI has been analyzed by Yu (2017), as he argues that it has been, “influenced by the increasing sense of national pride that has accompanied the emergence of China as a global power and the world’s second largest economy” (p. 356). Therefore, China’s implementation of the BRI and Xi’s confidence in making China continuously more powerful signifies China’s enthusiastic approach in boosting its economy alongside its BRI members, in growing a community with a shared purpose.

## **Hypotheses**

The aim of this thesis, as stated previously, is to contribute to the discussion on China’s economic great power ambitions through its implementation of the BRI. Is its ambitions to economically prosper through seeking relative gains rather than absolute gains, or does China seek to achieve economic interdependence through regional cooperation amongst its recipient partners? Answering these questions within the different school of thoughts will provide researchers with a holistic view on China’s true economic ambitions behind the implementation of the BRI. Therefore, four hypotheses are formulated, each providing a perspective that adheres to a competing IR theory.

### **Hypothesis under the Offensive Realist Perspective**

*China's economic great power ambitions through the implementation of the BRI, will be to increase its regional dominance in Asia leading to a security competition with the U.S.*

### **Hypothesis under the Defensive Realist Perspective**

*China's economic great power ambitions through the implementation of the BRI, will be to increase its security cooperation between its partners in maximizing its domestic security.*

### **Hypothesis under the Liberal Perspective**

*China's economic great power ambitions through the implementation of the BRI, will be to increase its economic interdependence and to sustain multiple channels of regional connectivity with its partners.*

### **Hypothesis under the Constructivist Perspective**

*China's economic great power ambitions through the implementation of the BRI, will be to increase its influence of ideas through foreign policy making in building Xi Jinping's vision for a China and Asia Dream.*

## **Chapter 4: Methodology**

### **Research Design**

The strategy in which the research question/hypotheses will be investigated in a logical and coherent way is through a single-N case study, specifically an in-depth process tracing method. Process tracing will be used with the merit of identifying causal chains between events and mechanisms. George and Bennett (2005) called it the “domino-theory” in which the researcher breaks down the development process, such as China’s BRI, into steps that establishes causal change. Thus, the application of theories will be used to predict all intervening steps to effectively measure the decision making of political elites. The focus on a single case means that the arguments presented and theories tested will have a detailed or ‘thick’ description, enhancing the internal validity of the analysis. Moreover, the implications generated from the case will generate and engage a wider academic discussion relating to the overall state of the international system which enhances the external validity of the analysis. The purpose of the analysis conducted in this thesis will be to apply existing theories to new contexts, and to provide descriptive contextualization on a specific case.

### **Data Collection**

In order to collect data as appropriately and accurately as possible, both primary and secondary sources will be examined, such as foreign policy reports; official discourse published by the Chinese government on their official website; public statements made by the UN; official statistics presented by the Chinese Communist Party (CCP); and secondary sources published by academic scholars. Importantly, the unit of analysis measured is states,

therefore interpreting foreign policy reports and BRI related statistics will be an appropriate measurement in studying China's economic great power ambitions.

## **Operationalization**

Based on the hypotheses formulated in the theoretical framework, this section operationalizes the research by providing indicators to key concepts. Indicators will allow for the measurement of concepts derived from the theories discussed. Each theory will be tested with the goal of linking the hypothesis with empirical evidence.

*China's economic great power ambitions through the implementation of the BRI, will be to increase its regional dominance in Asia leading to a security competition with the U.S.*

*Table 1: Operationalization of the offensive realist hypothesis*

<b>Key Concepts</b>	<b>Indicators</b>
Regional Dominance (Economically)	China's increase in FDI
Security Competition	China's BRI threatens the power of the U.S.

*China's economic great power ambitions through the implementation of the BRI, will be to increase its security cooperation between its partners in maximizing its domestic security.*

*Table 2: Operationalization of the defensive realist hypothesis*

<b>Key Concepts</b>	<b>Indicators</b>
Security Cooperation	Pacifistic implementation of foreign policy security initiatives
Domestic Security	Enhancement of maritime security through strengthening cooperation in maritime law

*China's economic great power ambitions through the implementation of the BRI, will be to increase its economic interdependence and to sustain multiple channels of regional connectivity with its partners.*

*Table 3: Operationalization of the liberal hypothesis*

<b>Key Concepts</b>	<b>Indicators</b>
Economic Interdependence	China and its regional partners are economically dependent on each other
Regional Connectivity	China and its regional partners are connected through a system of formal and informal networks

*China's economic great power ambitions through the implementation of the BRI, will be to increase its influence of ideas through foreign policy making in building Xi Jinping's vision for a China and Asia Dream.*

*Table 4: Operationalization of the constructivist hypothesis*

<b>Key Concepts</b>	<b>Indicators</b>
China Dream	China enhances its national prosperity and strengthens its support for Chinese people's well-being
Asia Dream	China enhances its common prosperity, interconnectivity and support for people's well-being in Asia

### **Validity and Reliability**

Internal validity refers to the ability to draw causal inferences and the ability to rule out alternative explanations. Since qualitative research gives rise to biases that researchers may fall victim to, threats to the internal validity should be minimized. This can be overcome through the use of multiple theories offering various perspectives and alternative hypotheses in which the research is tested. As mentioned previously in the thesis, different IR theories are utilized with the aim to conduct research and present findings as unbiased as possible. Each IR theory and alternative hypothesis is explored, giving equal credit to the scholars and theories in order to answer the research question in a convincing yet credible manner.

External validity refers to the generalizability of the research findings beyond the single case that is studied. The transferability of China's case to other cases is difficult because its economic ascent as a great power is unprecedented. Nevertheless, the ways in which external validity can be enhanced is through understanding the factors that are vital in contributing to China's economic re-emergence. Thus, by understanding how the implementation of the BRI can benefit not only China but its recipient partners is how the findings of this research offers generalizability to wider contexts.

Reliability refers to the consistency and replicability of the research findings. Moreover, it refers to the replicability of the research methods and measurements applied in a study. In terms of the replicability of the research findings for this study, China's geopolitical and economic context is constantly changing which means its findings may be hard to replicate. Nonetheless, the research methods and measurements applied in this study are reliable because they can be applied to other case studies in measuring similar effect.

## **Chapter 5: Data and Analysis**

### **China's Regional Dominance**

China's regional dominance is evaluated through its sheer economic growth since its implementation of the BRI. According to an article published by the state council, "during the past decade, China has seen notable progress in in boosting the high-quality development of foreign trade amid its effort to build an open economy, with the trade volume continuously expanding and structures improving." (PRC State Council, 2022). According to the General Administration of Customs Wang Lingjun, "total imports and exports of goods have climbed

24.4 trillion yuan (about \$3.6 trillion) in 2012 to 39.1 trillion yuan in 2021, further consolidating China's role as the world's largest goods trading country.” Wang (2022) adds, “China has remained the world's largest goods trading country for five consecutive years since 2017.” Furthermore stating that the country's foreign trade showed greater competitiveness, played a bigger role in driving economic growth, and established a stronger foundation for long-term sound development (Wang, 2022). China’s economic and trade ties can be largely attributed to the success of the BRI, which has strengthened significantly over the past decade. According to Shen (2022), “From 2013 to 2021, the annual trade volume between China and countries along the Belt and Road expanded from \$1.04 trillion to \$1.8 trillion, marking an increase of 73 percent. Shen (2022) adds that, “during this period, China's direct investment in countries along the Belt and Road totaled \$161.3 billion, while 32,000 enterprises were established in China by these countries, with a combined investment of \$71.2 billion.” China’s GDP in 2021 was recorded at 16.8 billion US dollars with a 46.3% GDP share, making it the biggest unrivaled economy in Asia, thereby displaying its regional dominance.

### **Security Competition**

China’s establishment of the BRI challenges U.S.’ interests through its promotion of soft power economic diplomacy. According to Dunford (2021), the development of the BRI reduces the “capacity of the US and its allies to set and enforce global rules, the role of the US currency, including the use of fiat dollars to acquire assets throughout the world, and its current control of much of the intellectual property associated with the computer and information technology revolution and pharmaceutical technologies as well as its military strength and capacity to exercise soft power” (p.111). Dunford adds, “It is because the rise of

China and the BRI, along with related bilateral and multilateral integration processes currently underway in Eurasia such as the construction of the Eurasian Economic Union, contribute to a decline in the asymmetric power and exorbitant privilege, especially of the North Atlantic alliance, that they have provoked intense controversies and given rise to containment strategies.” Although China is able to economically ascend through its BRI, it is still not yet in a position to challenge US hegemony. Nye (2019), argues that China’s military spending is nowhere near the US’, with a clear 3:1 advantage to the US. In terms of soft power economic diplomacy, according to data produced by the Soft Power in 2019, the US is ranked fifth whilst China is ranked twenty seventh. Therefore, it is argued that China is currently not in a position to threaten US led dominance, although the BRI presents several challenges to the US with China’s continuous pursuance of its soft power economic diplomacy.

### **Security Cooperation**

China’s permanent representative to the United Nations has publicly stated that there have been a series, “of terrorist attacks on infrastructure such as airports, and mass transport stations have caused panics, and resulted in serious losses of lives and properties” (Liu, 2017). To combat this phenomenon, the UN security council has unanimously adopted Resolution 2341 (2017), to call upon member states to develop strategies for reducing risks to critical infrastructure from terrorist attacks. The UN security council (2017), publicly reiterated, “the need to strengthen efforts to improve security and protection of particularly vulnerable targets, such as infrastructure and public places.” China has also publicly stated that it wishes to strengthen its security cooperation in areas such as “intelligence sharing, risk assessment and joint law assessment through bilateral and multilateral channels” to

effectively protect its interconnection projects and trans-boundary infrastructure from terrorist attacks and to ensure the safety and security of the Belt and Road construction (Liu, 2017). By developing and implementing foreign policy security initiatives alongside the UN security council and BRI's participating members, China is constantly strengthening its security cooperation in areas of counter-terrorism to protect the Chinese BRI workers and BRI's "community". As mentioned, China has already taken significant security measures in promoting regional-cooperation to prohibit terrorist activities. Altogether displaying an act of joint collaboration with regional partners in maximizing its security.

### **Domestic Security**

Not only is China looking to maximize its security alongside its regional partners in prohibiting terrorist activities, it also seeks to enhance its domestic security through the strengthening of its cooperation in maritime law enforcement. By enforcing maritime law under bilateral and multilateral frameworks, China is looking to maintain its regional stability. According to its foreign policy report on maritime cooperation under the BRI, China is initiating cooperative mechanisms for joint maritime law enforcement, fishery law enforcement, and anti-terrorism and anti-violence on the sea will be developed and improved. Moreover, the foreign policy report added that China will cooperate on maritime navigation security. It stated that, "China will shoulder its due international obligations, participate in bilateral and multilateral maritime navigation security and crisis-control mechanisms, and work with all parties to combat non-traditional security issues such as crimes on the sea" (Xinhua, 2017). In inducing cooperation, countries were encouraged to share information and train personnel in order to enhance capacities in dealing with emergencies at sea including major disasters and security threats (Xinhua, 2017). Thus, the BRI provides China an

opportunity to strengthen its domestic security through expanding its maritime power and influence.

### **Economic Interdependence**

The implementation of the BRI, enhances the economic interdependency among China and its regional partners. Many experts believe that BRI will benefit more countries along the route and even beyond the region. The chief of UN global economic monitoring unit Rashid (2016), stated that, “the countries involved can benefit from a new model of economic cooperation, top down rather than bottom up in the sense that this cooperation will be led by private sector entities where government will play a supportive role.” Algerian ambassador to China Boukhelfa says that the BRI has created good relations between China and Algeria. He adds that 1000 Chinese companies are working in Algeria, and Algeria is working with Chinese authorities to promote projects that will benefit African countries and the region. Furthermore, Enderwick (2018), argues that the BRI could trigger a trade revival, enabling China to export excess capacities in gaining access to smaller economies that have previously carried very high trading costs. Therefore, economic interdependence and inter-regional relations are strengthened through the BRI, as China will enjoy a higher level of interdependence in trade with access to new markets and trade routes.

### **Regional Connectivity**

China’s BRI enhances its regional connectivity through its development of infrastructure allowing for people-to-people connectivity. Vice-premier Zhang (2017), stated at the Belt and Road Forum for International Cooperation that, “infrastructure connectivity has become a

highlight in the building of the Belt and Road Initiative.” Furthermore, Zhang (2017) pointed out that landmark projects such as the China-Laos railway, the Jakarta-Bandung high-speed rail, and the Hungary-Serbia Railway are making progress; construction is under way on ports in Gwadar, Pakistan and Piraeus, Greece; and the China Railway express has reached 29 cities in 11 European countries, including Russia, Germany, Poland, and Spain. The implications of this infrastructural development effectively enhances cooperation through a strengthening of trade connectivity which can ultimately lead to huge market potential and high economic complementarity. China’s provisions of building an open, modern and efficient road system by 2020 further strengthens connectivity among countries in the BRI. The benefits hereof are to improve customs clearance efficiency and strengthen emergency rescue capabilities to facilitate international transport.

### **China Dream and Asia Dream**

Xi Jinping’s plan to boost China’ economy through the implementation of the BRI, is an economic prosperous vision that will make it a thriving country where the wellbeing of its citizens are enhanced. Director of the Development Policy and Analysis Division in the UN Department of Economic and Social Affairs Hong Pingfan (2016) states, “economists have long considered that infrastructure investment enhances economic productivity.” He further adds, that “as infrastructure investment makes positive contribution to economic growth, it reduces poverty through raising the overall living standards in the economy.” It can therefore be deduced that through the strengthening of the economy of China and its recipient partners, the living standards of citizens lives are enhanced. The infrastructure investments that are made through the BRI achieves mutual cooperation with benefits to all its members’ economy and wellbeing of citizens. Hong (2016) discusses the benefits of the BRI stating that

the, “impact of infrastructure investment on poverty reduction comes from at least two different channels: growth and income distribution.” Thus, Xi’s vision of the China Dream and Asia Dream has successfully been achieved through its regional and domestic economic prosperity.

		Results (Verify/Refute)
Offensive Realist Hypothesis	<i>China’s economic great power ambitions through the implementation of the BRI, will be to increase its regional dominance in Asia leading to a security competition with the U.S.</i>	
	Regional Dominance (Economically)	Verify
	Security Competition	Refute
Defensive Realist Hypothesis	<i>China’s economic great power ambitions through the implementation of the BRI, will be to increase its security cooperation between its partners in maximizing its domestic security.</i>	
	Security Cooperation	Verify
	Domestic Security	Verify
Liberal Hypothesis	<i>China’s economic great power ambitions through the implementation of the BRI, will be to increase its economic interdependence and to sustain</i>	

	<i>multiple channels of regional connectivity with its partners.</i>	
	Economic Interdependence	Verify
	Regional Connectivity	Verify
Constructivist Hypothesis	<i>China's economic great power ambitions through the implementation of the BRI, will be to increase its influence of ideas through foreign policy making in building Xi Jinping's vision for a China and Asia Dream.</i>	
	China Dream	Verify
	Asia Dream	Verify

*Table 5: Testing Hypotheses with Empirical Data*

**Note: Verify = Indicator Confirmed, Refute = Indicator not Confirmed**

## **Chapter 6: Discussion and Conclusion**

The thesis evaluates different IR theoretical perspectives with the purpose of better understanding China's true intentions behind the BRI, and whether they are congruent with its achieved success thus far. Several hypotheses have been presented, with purpose of measuring China's economic great power ambitions in creating more general implications for the current state of great power politics altogether.

In terms of the offensive realist hypothesis, findings revealed that through the BRI, China is able to establish regional dominance in Asia, however, this dominance has not yet led them to be in a security competition with the U.S. Offensive realist scholars have highlighted that states seek to maximize their power in dominating the international system. Although this may be true, China is far from being in a position to match U.S.' military power.

Nonetheless, the BRI has provided China an opportunity to stimulate economic growth by addressing the domestic imbalances of the Chinese economy. In a new era of globalization, China's implementation of the BRI posits a development model unlike the structural and policy reforms initiated by the West. This model of state-led infrastructure investments would substantially reduce trade and transaction costs benefitting both China and the economies of its BRI members(Enderwick, 2018). As China continues to make strides in maximizing its economic power, scholars discuss a future in the international system that may eventually witness a shift from unipolarity to a multipolar system (Posen, 2011, Mearsheimer, 2019).

In terms of the defensive realist hypothesis, findings revealed that China have strengthened their security cooperation as well as its domestic security. Security cooperation is enhanced as the need to reinforce law assessment through bilateral and multilateral channels mitigates anti-terrorism activities. Furthermore, scholars have notably argued that China does not wish to provoke an alliance of great powers against it since its immense economic growth has largely been accompanied by its maximization of security. In strengthening its security in areas such as maritime power and counter-terrorism, shows that China is able to coexist peacefully with both its neighbors and the US whilst maximizing its own security benefits.

In terms of the liberal hypothesis, the thesis has displayed China intentions of increasing its economic interdependence in sustaining multiple channels of regional connectivity with its

partners. Not only will the BRI benefit China in facilitating trade and investments, it will also continuously promote China's technology regionally such as rail transport and sustainable energy (Enderwick, 2018). This process will also increase cross-border exchange of China's currency, the renminbi, which is something desired by the Chinese leadership (He, 2017). By establishing a regional connection with the partners of the BRI, China's ambitions to secure new routes will open up opportunities for future export trade. With China's trade being overly dependent on the Malacca Strait, formerly 80% of its oil imports transported through this route, the BRI allows China to open up new trade routes through Pakistan and Central Asia to diversify its routes and reduce the risks of trade disruption (ibid.). Increasing economic interdependence and regional connectivity with the members of the BRI will create overseas jobs for Chinese workers and Chinese companies overall benefitting the economies of both China and the state it is collaborating with.

In terms of the constructivist hypothesis, the implementation of the BRI underlines China's ability to develop ideas through foreign policy initiatives which ultimately, enhances the prosperity of its own nation along with the nations that are members of the BRI. Although China will be gaining significant more gains relative to other nations, a win-win cooperation is achieved through mutual benefits. With Xi's vision of a rejuvenated China being internally wealth and externally well connected, China's initiation of the BRI present itself with an alternative development structure, one that boosts its economic position, especially with the possibility of a slowdown in economic globalization (Chandy & Seidel, 2016). Domestically, rapid economic development of China's poorly integrated regions would bolster regional security as well as the living standards of its citizens on China's western borders and produce higher economic growth rates in Asia since current globalization processes have occurred.

It is important to note, that the qualitative study conducted throughout the course of this thesis inconclusively displays the overall benefits of the implementation of the BRI. There are several limitations to the research, for example, the lack of statistical analysis which effectively provides for a complete understanding relating to the economic benefits using numerical data which a quantitative study does provide. Additionally, another limitation to the research conducted is the methodology used. The internal validity of this research can be criticized due to selection bias, which relies on the interpretation of the researcher. There may have been bias in the way the data is presented and collected ultimately affecting the internal validity of the study. Nevertheless, by utilizing the three main theoretical perspectives of IR, the study attempts to overcome this issue by applying multiple competing theories rather than applying a single theory in assessing China's complex foreign policy implementation.

The external validity of the study can also be criticized because the findings inconclusively measure the benefits for the countries that are cooperating with China under the BRI. Since the study utilizes a single case study method in measuring China's economic and geopolitical benefits, it cannot effectively apply these findings to other states with similar effect. As mentioned, China seeks to achieve relative gains rather than absolute gains and thus, will gain disproportionately to its partners. It should be noted that the purpose of this study is the measure the BRI in the context of China. Therefore, future research should aim examine the benefits gained by its cooperating members in order to assess the challenging tasks inherent to the success of the BRI, the considerable diversity of the constituent countries. With countries displaying extreme variation in terms of income levels and infrastructure potential suggests that its BRI participants will be achieving unequal benefits if they are prone to economic and political instability and widespread corruption (World Economic Forum, 2016).

Overall, the results presented in this thesis contributes to the discussion on China's economic great power ambitions. Studying China's implementation of the BRI provides an in-depth analysis on the economic and geo-political benefits that contribute to China's ever growing power in the international system. By gaining new insights on the phenomenon through use of different theoretical perspectives, provides for a deepened understanding in the strategies employed in monitoring the progression of the China's BRI. Nevertheless, the initiative is a very long-term one: estimates suggest that it could take 50 years to achieve (Enderwick, 2018). This means that the current assessment of its progress is at a very early stage and that any impacts will, at best, be only partial for many years. Therefore, what this thesis conclusively provides, is an analytical study on the implementation of the BRI, in hopes that future research will investigate the sustainability of the long-term benefits of the BRI, measuring its alignment with China's economic great power ambitions.

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