

5-1-2018

What does China's Belt and Road Initiative mean to the U.S.?

Feifei Zeng
Mississippi State University

Follow this and additional works at: <https://scholarsjunction.msstate.edu/honorsthesis>

Recommended Citation

Zeng, Feifei, "What does China's Belt and Road Initiative mean to the U.S.?" (2018). *Honors Theses*. 51.
<https://scholarsjunction.msstate.edu/honorsthesis/51>

This Honors Thesis is brought to you for free and open access by the Undergraduate Research at Scholars Junction. It has been accepted for inclusion in Honors Theses by an authorized administrator of Scholars Junction. For more information, please contact scholcomm@msstate.libanswers.com.

What does China's Belt and Road Initiative mean to the U.S.?

By

Feifei Zeng

An Honors Senior Thesis
Submitted to the Faculty of
Mississippi State University

Mississippi State, Mississippi

May 2018

Abstract

This thesis through a case study method examines U.S. involvement in China's Belt and Road Initiative (BRI), 一带一路, also known as One Belt, One Road, with an emphasis on analyzing the benefits and costs associated with U.S. involvement, lack of involvement, and maintenance of current status. As a rising power, China hopes to further expand its influence through BRI. Historically, whenever there is a rising power and an existing dominant power, there exists a potential risk of war¹. What does this mean for the U.S.? Should the U.S. oppose this initiative to lessen China's power? Or should the U.S. be involved in the infrastructure initiatives to help with the development of the countries involved in the BRI? Or should the U.S. continue to standby and observe where the BRI will lead? Three case studies are generated based on the following hypothetical scenarios: (a) the U.S. actively supports BRI, (b) the U.S. actively opposes BRI, and (c) the U.S. maintains the current status.

¹ Allison, Graham. "The Thucydides Trap: Are the U.S. and China Headed for War?" *The Atlantic*. September 24, 2015. Accessed December 04, 2017.

Glossary

Asian Development Bank – ADB

Asian Infrastructure Investment Bank – AIIB

Association of Southeast Asian Nations – ASEAN

Belt Road Forum – BRF

Belt and Road Initiative – BRI

Brazil, Russia, India, China, and South Africa – BRICS

Central Intelligence Agency – CIA

China-Pakistan Economic Corridor – CPEC

European Bank for Reconstruction and Development – EBRD

European Investment Bank – EIB

Foreign Direct Investment – FDI

Foreign Trade Agreement - FTA

Free Trade Zones – FTZs

Gross Domestic Product – GDP

International Monetary Fund – IMF

Liberal Democratic Party – LDP

Memorandum of Understanding – MoU

North Atlantic Treaty Organization – NATO

New Development Bank – NDB

One Belt One Road – OBOR

People’s Republic of China – PRC

Regional Comprehensive Economic Partnership - RCEP

Trans-Pacific Partnership – TPP

United Nations Development Programme – UNDP

World Bank Group – WBG

World Trade Organization – WTO

growing economies in the world, with Gross Domestic Product (GDP) forecasted to grow 6.4 % for 2018 and 6.3% for 2019⁴, illustrated in table 1. The World GDP growth is forecasted to be 2.5% in 2018 and 2.2% in 2019, significantly less than China’s economic expansion. According to the International Monetary Fund (IMF), China’s contribution to “the world economy will...[be] around 35 percent to global growth⁵.” China leads all countries in growth percentages⁶. Similarly, in 2018, China’s population reached 1.38 billion, 18.5% of the total world population⁷. With both high GDP growth and the largest world population, China’s BRI project is an important project to watch, with possible economic, political, and social ramifications across the globe.

Table 1: Global Outlook – GDP Growth (%)

Real GDP (growth at market prices in percent, unless indicated otherwise)						
	2015	2016	2017e	2018f	2019f	2020f
World	2.8	2.4	3	3.1	3	2.9
United States	2.9	1.5	2.3	2.5	2.2	2
China	6.9	6.7	6.8	6.4	6.3	6.2
Euro Area	2.1	1.8	2.4	2.1	1.7	1.5

Source: “Global Economic Prospects.” World Bank

The ancient Silk Road, illustrated in Figure A, was both a land and a maritime route, where not only goods but also knowledge, cultures, and beliefs were exchanged across the world⁸. Indeed, the Silk Roads became more popular and increasingly well-travelled over the course of the Middle Ages and were still in use in the 19th century. For the land route, the main region involved was Eurasia where the merchants could travel across Eastern Europe, the Middle East, Central Asia, and the Far East. The modern nation of Afghanistan had a strategic role in the

⁴ “Global Economic Prospects.” World Bank. Accessed March 19, 2018.

⁵ “China’s Contribution to Global Economic Growth.” The State Council Information Office of the People’s Republic of China. December 18, 2017. Accessed March 20, 2018.

⁶ “Global Economic Prospects.” World Bank. Accessed March 19, 2018.

⁷ “U.S. and World Population.” United States Census Bureau. Accessed March 19, 2018.

⁸ “SILK ROAD Dialogue, Diversity & Development.” UNESCO. Accessed March 09, 2018.

railway line along the Eurasian continent to connect China with Europe through Central Asia. The initiative will also expand through Southeast Asia with a Maritime Silk Road. BRI is considered a first step toward the creation of a Eurasian ‘economic corridor’¹¹, which will allow partnership and economic development in Central Asian economies such as Tajikistan, Uzbekistan, and Kyrgyzstan¹² and their future integration with both European and Asian markets¹³. The scale of this initiative is unprecedented. It encompasses a population of 4.4 billion people with a collective Gross Domestic Product (GDP) of \$21 trillion, which represents one-third of the world’s wealth¹⁴. China hopes to strengthen its existing trades and economic cooperation through better infrastructure and creating new industrial hubs in the region¹⁵. OBOR also has a soft infrastructure component including university scholarships for cultural exchange programs¹⁶. Illustrated in Figure B is the map of the modern Silk Road¹⁷.

¹¹ Nadège Rolland, "China's New Silk Road," The National Bureau of Asian Research. February 12, 2015. Accessed November 05, 2017.

¹² Badykova, Najia. "The Chinese One Belt One Road Initiative Could Be Doomed without Market Reforms." The Central Asia-Caucasus Analyst. June 27, 2017. Accessed March 20, 2018.

¹³ Nadège Rolland, "China's New Silk Road," The National Bureau of Asian Research. February 12, 2015. Accessed November 05, 2017.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Hillman, Jonathan E. "Chinas Belt and Road Initiative: Five Years Later." Center For Strategic and International Studies. March 29, 2018. Accessed April 01, 2018.

¹⁷ "The Silk Road Initiative." The Silk Road Initiative. Mercator Institute for China Studies. 15 May 2017. Accessed March 09, 2018.

sources like Commerce.gov and the US Department of State. This research also used information from international organizations like the Asian Development Bank (ADB) and the United Nations. This research was presented in the interest of U.S. policy in an attempt to find the best and most efficient option. This research also analyzed the cost and challenges associated with each of the case studies proposed.

Evaluation criteria

a. Regional and Global interests of U.S. and its allies

There are three main diplomacy interests for the U.S. (1) the U.S.' diplomacy interests with its allies. Will this initiative preserve a forward diplomatic presence for the U.S. and sustain relationships with its allies¹⁸? Will their active cooperation with the U.S. shape the international system¹⁹? (2) the U.S.' diplomacy interests with its competitors²⁰. Since competitive diplomacy is one of the U.S.' main interests in international relations²¹, will this initiative establish productive relations with nations that could become strategic adversaries, like China and Russia²²? (3) Economic diplomacy. Will this initiative maintain the U.S.' position as the world's leading economy and ensure the viability and stability of major global systems including trade and financial markets²³?

b. Who are considered supporters of BRI?

¹⁸ "President Donald J. Trump Announces a National Security Strategy to Advance America's Interests." The White House. December 18, 2017. Accessed March 28, 2018.

¹⁹ "What Are Americas National Interests?" Harvard Kennedy School Belfer Center for Science and International Affairs. Accessed March 28, 2018.

²⁰ Ibid.

²¹ "President Donald J. Trump Announces a National Security Strategy to Advance America's Interests." The White House. December 18, 2017. Accessed March 28, 2018.

²² "What Are Americas National Interests?" Harvard Kennedy School Belfer Center for Science and International Affairs. Accessed March 28, 2018.

²³ Ibid.

- c. After the missed opportunity with Trans Pacific Partnership (TPP) and AIIB, can the U.S. afford to make the wrong decision on this global project? What would the U.S. lose if not involved and what are the tradeoffs if the U.S. is involved?

The Trans Pacific Partnership (TPP) trade agreement was originally started by the U.S. along with 11 other countries, which included almost 40% of global GDP and 20% of world trade³⁰. The reduction of tariff and non-tariff barriers were increased not only for the U.S. but also for the member countries' trade and economy³¹. In January of 2017, President Trump announced the U.S.' withdrawal from TPP³². In the domestic front, both the National Cattlemen's Beef Association³³ and the American Farm Bureau Association³⁴ have expressed concerns regarding President Trump's decision on pulling out of the TPP. This decision provided China, who was not a member of the TPP, an opportunity to play a vital role in Asian countries because it removed the leverage of another global superpower³⁵. China is involved in the Regional Comprehensive Economic Partnership (RCEP) which is a regional Free Trade Agreement (FTA) between 16 participating countries mainly from ASEAN region. The goal of RCEP is to strengthen economic linkages and to enhance trade and investments among the members³⁶.

³⁰ Giesbergen, Björn, and Raphie Hayat. "Trumponomics: Trans-Pacific Partnership Is the First Trade Victim." RaboResearch - Economic Research. January 27, 2017. Accessed March 31, 2018.

³¹ Ibid.

³² Miller, S.A. "Donald Trump Keeps Campaign Promise to Abandon Trans-Pacific Partnership." The Washington Times. January 23, 2017. Accessed March 31, 2018.

³³ Bacus, Kent. "Cattlemen on TPP Moving Forward Without U.S. - "Missed Opportunity to Gain Greater Access" to Foreign Markets." National Cattlemen's Beef Association. January 23, 2018. Accessed April 01, 2018.

³⁴ Bernfeld, Jeremy. "Farm Groups Anxious As Trump Pulls US Out Of TPP Trade Deal." Harvest Public Media. January 24, 2017. Accessed April 01, 2018.

³⁵ Giesbergen, Björn, and Raphie Hayat. "Trumponomics: Trans-Pacific Partnership Is the First Trade Victim." RaboResearch - Economic Research. January 27, 2017.

³⁶ "Regional Comprehensive Economic Partnership (RCEP)." Association of Southeast Asian Nations. October 3, 2016. Accessed April 01, 2018.

relationship⁴⁵. A comprehensive dialogue between China and the U.S. has been established⁴⁶ and this high-level framework for negotiation focuses on four main areas: (1) diplomatic and security, (2) economic; (3) law enforcement and cybersecurity dialogue; and (4) social and cultures issues⁴⁷. Another top issue in the Sino-U.S. Relation is the “One China” policy referring to Taiwan. In early 2017, President Trump confirmed to President Xi that the U.S. will honor “One china” policy⁴⁸. This policy is extremely important to the President Xi and it plays a key role in the Sino-U.S. relations. This reaffirmation sets the stage for further dialogue between the two countries.

In October of 2017, the U.S. took a different position regarding its diplomatic relationship with China. The former Secretary of State, Rex W. Tillerson, said in his remarks on the U.S. - India relation, that the U.S. now is seeking “constructive relations” with China⁴⁹. The switch from positive relationship to constructive relationship happened in a short six month’ time frame. Former Secretary of State Tillerson expressed concerns with China’s actions in the South China Sea, as they “directly challenge the international law and norms that the United States and India both stand for”⁵⁰.

A Chronological Order of the U.S.’ actions toward OBOR from 2016

To fully examine these relationships, it is important to consider recent developments in the U.S. – China relation. Following is a list of the actions the U.S. has taken toward BRI in chronological order.

July 2016 – The U.S. Bureau of Economic and Business Affairs’ 2016 Investment Climate Statements Report shows a sign of potential partnership in the Free Trade Zones (FTZs) with OBOR. However, it’s a vague statement that “[the] FTZs intended to integrate more closely with

⁴⁵ Ministry of Foreign Affairs of the People’s Republic of China, “Xi Jinping Sends Congratulatory Message to Donald Trump on His Election as U.S. President,” November 11, 2016. Accessed March 08, 2018.

⁴⁶ U.S. Department of Commerce. "JOINT RELEASE: Initial Results of the 100-Day Action Plan of the U.S.-China Comprehensive Economic Dialogue." Department of Commerce. December 21, 2017. Accessed March 08, 2018.

⁴⁷ "Briefing by Secretary Tillerson, Secretary Mnuchin, and Secretary Ross on President Trump's Meetings with President Xi of China." The White House. April 7, 2017. Accessed March 08, 2018.

⁴⁸ Landler, Mark, and Michael Forsythe. "Trump Tells Xi Jinping U.S. Will Honor ‘One China’ Policy." *The New York Times*. February 09, 2017. Accessed February 27, 2018.

⁴⁹ Tillerson, Rex W. "Remarks on "Defining Our Relationship With India for the Next Century"." U.S. Department of State. October 18, 2017. Accessed February 27, 2018.

⁵⁰ Ibid.

December 2017 - During a Town Hall Remark, Tillerson, former Secretary of State, and Goldstein, Under Secretary for Public Diplomacy and Public Affairs, shared their views on China and its BRI initiative. A popular quote from Secretary Mattis was used by Tillerson when asked regarding the U.S.' view on BRI. The quote reinforces the U.S.' role in the global economy. He said, "China has One Belt, One Road; the United States and the global economy has many belts and many roads, and no one country gets to choose the belt or the road. It's part of the global order, the international system of rules and norms."⁵⁹ Mattis also challenges both the U.S. and China to think about the coexistence of two super power and how to prosper together.

February 2018 - In the article *Centcom Undertaking Realignment to Meet Future Concerns* by Terri Moon Cronk published in the U.S. Department of Defense, BRI was mentioned in the National Defense Strategy section⁶⁰. China is defined as a "big-power competition" and it's "pursuing a long-term, steady economic growth in the region through its 'one-belt, one-road policy'⁶¹". For the BRI project to be a topic of conversation for the national defense and being such a high-profile initiative, the U.S. still has not taken an official stand on it.

March 2018 – The former Central Intelligence Agency (CIA) Director, Mike Pompeo was appointed to become the new Secretary of State. While the former Secretary of State, Tillerson, pursued a solid and traditional foreign policy approach⁶², the former CIA director, Pompeo, has a more confrontational and hawkish approach⁶³. The shift from Tillerson and Mattis to Trump and Pompeo will represent a challenge for U.S. – China relations⁶⁴. It is too early to draw a conclusion on the position Pompeo will take; however, from his past comments regarding China, it suggests a more hostile approach. When Pompeo commented on security threats his comments were "It's hard to pick between China, Russia and Iran to be honest with you. I guess if I had to

⁵⁹ Tillerson, Rex W., and I. Steven (Steve) Goldstein. "Remarks at Town Hall." U.S. Department of State. December 12, 2017. Accessed March 09, 2018.

⁶⁰ Cronk, Terri M. "Centcom Undertaking Realignment to Meet Future Concerns." U.S. Department of Defense. February 27, 2018. Accessed March 08, 2018.

⁶¹ Ibid.

⁶² Ignatius, David. "Tillerson's Departure Removes Another Check on an Impulsive Trump | Belfer Center for Science and International Affairs." Harvard Kennedy School Belfer Center for Science and International Affairs. March 13, 2018. Accessed April 23, 2018.

⁶³ Bandow, Doug. "Pompeo and Changing U.S. Policy Toward China." Cato Institute. March 19, 2018. Accessed April 23, 2018.

⁶⁴ Gambino, Lauren. "Mike Pompeo: Who Is Trump's New Pick for Secretary of State?" The Guardian. March 13, 2018. Accessed April 23, 2018.

Involvement of Multilateral Banks

Although the U.S. has not officially endorsed BRI, major multilateral banks have voiced their support. The U.S. cannot ignore the importance of this initiative especially with China's rising diplomatic power globally. From the World Bank Group to the multilateral banks in Europe and Asia, BRI is gaining both financial support and international attention. This initiative has given China a platform to build its global soft power in strategic countries encouraging their cooperation in the international order. It does not seek to take the power from the U.S. The Vice Minister of Foreign Affairs, Fu Ying, stated at the 52nd Munich Security Conference that China's desire is to contribute to the international order and not to compete with the U.S.⁷³

Numerous international organizations are supporting the BRI, especially multilateral banks. The World Bank Group (WBG), for example, is providing support and consulting assistance to BRI projects. During the Belt and Road Forum for International Cooperation in May of 2017, Jim Yong Kim, the WBG President, said in his speech that "the benefits of the Belt and Road Initiative are broader than one project or one country⁷⁴." He believes that this initiative will foster innovative financing mechanisms and promote the collaboration between the public and private financing sectors. President Jim Yong Kim also expressed that the World Bank will provide the support and consulting assistance to the initiative to ensure successful results.

Multilateral Banks in Europe and Asia

In Europe, two multilateral banks have officially endorsed BRI with financial partnership: the European Investment Bank (EIB) and the European Bank for Reconstruction and

⁷³ Ying Fu, "Speech by Fu Ying," Munich Security Conference, October 05, 2016. Accessed November 30, 2017.

⁷⁴ Ki, Jim Yong. "Remarks of World Bank Group President Jim Yong Kim at the Belt and Road Forum for International Cooperation – Opening Plenary Session," World Bank Group, May 14, 2017, Accessed February 03, 2018.

In Asia, two multilateral banks are supporting BRI as well: The Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB). In 2016, The Asian Development Bank (ADB) officially endorsed BRI with a \$400,000 investment⁸⁴. This is the only direct investment the ADB has made to date on BRI. This small investment for international lending is due to ADB's concern for the cost of BRI⁸⁵. ADB is currently seeking partnership with the Asian Infrastructure Investment Bank (AIIB) on projects with similar interests of building infrastructure and poverty reduction in Asia⁸⁶. The Asian Infrastructure Investment Bank (AIIB) was originally founded in late 2015 in order to support the Chinese initiative to connect the region through BRI projects⁸⁷. The U.S. is currently not a member nor a prospective member.

The U.S.' Indirect Involvement

After the missed opportunity with the Trans-Pacific Partnership (TPP) and AIIB, the U.S. cannot afford to make the wrong decision on BRI. The U.S. is indirectly supporting BRI through its involvement with WBG and ADB. Now is the time to be an active player in this initiative in order for the U.S. to maintain its global influence. As the biggest financial contributor to the WBG, the U.S. is already indirectly supporting BRI. The U.S. as a non-regional member of ADB, holds 15.6% of capital share and 12.7% of total voting power. Japan, an important ally of the U.S., also holds 15.65% of capital share and 12.7% of total voting power. Japan and the U.S. are the two biggest shareholders of the ADB, together they hold $\frac{1}{3}$ of the total shares⁸⁸.

⁸⁴ "Study of the Belt and Road Initiative: Technical Assistance Report." Asian Development Bank. July 11, 2016. Accessed February 03, 2018.

⁸⁵ Nicholson, Paul. "ADB Warns on Costs of OBOR Projects." Asia House. May 04, 2017. Accessed April 01, 2018.

⁸⁶ Ibid.

⁸⁷ "Introduction." About AIIB Overview. Asian Infrastructure Investment Bank. Accessed February 03, 2018.

⁸⁸ "ADB Annual Report 2016." Asian Development Bank. April 30, 2017. Accessed February 09, 2018.

based one, as BRI suggests⁹⁶. With the creation of AIIB, Japan views it as a competition to the U.S. and Japan based ADB and worries about its position in Asia as China rises economically⁹⁷.

Challenges and Costs

One of the biggest concerns to the U.S. was the risk of hurting its relationship with Japan, who formerly was a strong opposer of BRI. However according to *The Japan Times*, Prime Minister Shinzo Abe stated that Japan is now ready to partner with China in its BRI Initiative and is considering joining the AIIB⁹⁸. While it is unclear to what extent the Japanese government will be involved in this initiative, it is apparent that Japan is currently not opposed to BRI. If Japan joins the AIIB and contributes the BRI, the U.S. would remain an “outsider” from this global multilateral bank and its decision making if the U.S. decides not to join.

Case Study B – The U.S. Opposes BRI

Recommendations

1. Express publicly opposition to BRI
2. Increase influence in Asia and beyond through other initiation to maintain its global leadership

Background

The decision of the U.S. to oppose BRI would mean a withdrawal from all activities regarding the BRI. The U.S.’ non-member status in the Asian Infrastructure and Investment Bank (AIIB), a multilateral bank that aims to increase infrastructure development in Asia⁹⁹, is a

⁹⁶ Pollmann, Mina. "Will Japan Join Chinas Belt and Road Initiative?" *The Diplomat*. June 15, 2017. Accessed April 01, 2018. <https://thediplomat.com/2017/06/will-japan-join-chinas-belt-and-road-initiative/>.

⁹⁷ "Japan Opens the Way to Cooperation on China's Belt and Road Initiative." East Asia Forum. July 10, 2017. Accessed April 01, 2018.

⁹⁸ "Japan and One Belt, One Road." *The Japan Times*, 24 June 2017. Accessed March 01, 2018.

⁹⁹ "Members and Prospective Members of the Bank." Members of the Bank. Asian Infrastructure Investment Bank. Accessed March 01, 2018

European Investment Bank (EIB)¹⁰⁶ and the European Bank for Reconstruction and Development (EBRD)¹⁰⁷.

Key U.S. Allies are Opposed to OBOR – Indian and Japan

India is the second largest investor in the AIIB¹⁰⁸ with almost 9% of the bank's total investment. As a member of BRICS (Brazil, Russia, India, China, and South Africa) countries, India is also a member of the New Development Bank (NDB) by default, as the NDB is directly funded by BRICS countries. While both AIIB and NDB support BRI, India's position on it is still unclear; India's membership in these multilateral banks is not to be considered as India's support toward BRI and China's ambition, "[especially as it relates to] accept[ing] Chinese funding to develop major infrastructure projects in India."¹⁰⁹ Besides its opposition regarding the Chinese government's funding for major projects in India¹¹⁰, another concern for India is China's presence in Pakistan presented under the 'China-Pakistan Economic Corridor' (CPEC). As part of OBOR projects, CPEC has received \$57 billion in infrastructure investments¹¹¹. The CPEC is considered the largest investment project yet in Pakistan¹¹².

In May 2017, China hosted the Belt and Road Forum (BRF) in Beijing where head of states and ministers representing 57 countries attended¹¹³. India was not on the attendees list. Its absence spoke volumes and expressed its opposing position regarding BRI.

¹⁰⁶ "EIB confirms support for Belt and Road initiative." China. May 16, 2017. Accessed February 23, 2018.

¹⁰⁷ "Belt and Road Initiative (BRI)." European Bank for Reconstruction and Development (EBRD). Accessed February 23, 2018.

¹⁰⁸ "Members and Prospective Members of the Bank." Members of the Bank - AIIB. Accessed March 04, 2018.

¹⁰⁹ Mohan, C. Raja. "Raja-Mandala: Japan's Counter to China's Silk Road." Carnegie India. November 24, 2015. Accessed March 04, 2018.

¹¹⁰ Ibid.

¹¹¹ Rana, Kishan S. "Chinas Belt and Road Initiative (BRI): Impact on India & its China Diplomacy." ICS- Institute of Chinese Studies in Delhi. September 2017. Accessed March 04, 2018.

¹¹² Rana, Kishan S. "Chinas Belt and Road Initiative (BRI): Impact on India & its China Diplomacy." ICS- Institute of Chinese Studies in Delhi. September 2017. Accessed March 04, 2018.

¹¹³ "Belt and Road Attendees List." *The Diplomat*. May 13, 2017. Accessed March 04, 2018

showed clear opposition to the advancement of BRI. Due to the recent developments, Japan's opposition is not as clear as it was initially.

Cost and Challenges

With India's opposition and Japan's unclear stand, it is beneficial to the U.S. to observe the development of India and Japan's stance before taking an opposing stand on BRI. The U.S. partnership with Japan on high quality infrastructure projects will present a monetary cost to the U.S.

CONCLUSION

Recommendations

Moving forward, if China's motivation behind BRI is altruistic in making everyone involved richer then the U.S. should be involved. China claims that BRI is a win-win project suggesting that the investments will increase stability of the border regions and create a stronger diplomatic and economic relationship with the countries involved¹²⁰. Through infrastructure investments, "BRI will raise the standard of living in the near abroad, promote mutual trust across the region, and discourage radicalization and terrorist recruitment¹²¹". If the motivation behind BRI is creating a multiplier economy and making everyone involved richer then the U.S. should support BRI.

In contrast, if China's motivation behind BRI is to be a hegemonic power of the world, the U.S. should turn down partnership with BRI. The effort of China to assert its leadership in the neighboring countries is a proof of China's motivation behind BRI¹²². This initiative is being compared to the Marshal plan due to its desire to create strategic advantages like the U.S. did in

¹²⁰ Ibid

¹²¹ Kamphausen, Roy D. "Testimony before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific." United States House of Representatives. November 15, 2017. Accessed April 22, 2018.

¹²² Cai, Peter. "Understanding China's Belt and Road Initiative." Lowy Institute. March 22, 2017. Accessed April 23, 2018.

limits this study's ability to draw conclusions as key players could change and new events could happen.

This research mainly focused of the economic implications rather than the human rights and environmental aspects, which are also important in understanding and determining whether the U.S. should be involved in the BRI. Those aspects lead to further questions of study.

Further Research Questions

To further understand the BRI projects and the U.S. – China relation it is important to be aware of other issues and disagreements between these two super powers.

1. Is the trade war between the U.S. and China the first sign of these two super powers falling into the Thucydides Trap?
2. What role did the South China Sea play in the U.S.' decisions on its current actions and lack of actions toward the BRI?
3. What is the motivation behind Japan's sudden switch regarding BRI?

2018.<http://harvestpublicmedia.org/post/farm-groups-anxious-trump-pulls-us-out-tpa-trade-deal-0>.

"Briefing by Secretary Tillerson, Secretary Mnuchin, and Secretary Ross on President Trump's Meetings with President Xi of China." The White House. April 7, 2017. Accessed March 08, 2018. <https://www.whitehouse.gov/briefings-statements/briefing-secretary-tillerson-secretary-mnuchin-secretary-ross-president-trumps-meetings-president-xi-china/>

Cai, Peter. "Understanding China's Belt and Road Initiative." Lowy Institute. March 22, 2017. Accessed April 23, 2018. <https://www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>.

"China's Contribution to Global Economic Growth." The State Council Information Office of the People's Republic of China. December 18, 2017. Accessed March 20, 2018. <http://www.scio.gov.cn/32618/Document/1613753/1613753.htm>.

"China." U.S. Department of State. July 05, 2016. Accessed March 08, 2018. <https://www.state.gov/e/eb/rls/othr/ics/2016/eap/254271.htm>.

"Cooperation for Common Prosperity." UNDP in China. May 14, 2017. Accessed November 30, 2017. <http://www.cn.undp.org/content/china/en/home/presscenter/pressreleases/2017/05/14/cooperation-for-common-prosperity.html>

Cronk, Terri M. "Centcom Undertaking Realignment to Meet Future Concerns." U.S. DEPARTMENT OF DEFENSE. February 27, 2018. Accessed March 08, 2018. <https://www.defense.gov/News/Article/Article/1452399/centcom-undertaking-realignment-to-meet-future-concerns/>

"Day 1 of President Trump and First Lady Melania Trump's Visit to China." U.S. Embassy & Consulates in China. November 08, 2017. Accessed April 01, 2018. <https://china.usembassy-china.org.cn/day-1-president-trump-first-lady-melania-trumps-visit-china/>.

"EIB confirms support for Belt and Road initiative." European Investment Bank (EIB). May 16, 2017. Accessed February 03, 2018. <http://www.eib.org/infocentre/press/releases/all/2017/2017-119-eib-confirms-support-for-belt-and-road-initiative.htm>

"EIB Group cooperation with China to be strengthened with new EUR 500 million Silk Road Fund equity investment initiative." European Investment Bank (EIB). June 02, 2017. Accessed February 09, 2018. <http://www.eib.org/infocentre/press/releases/all/2017/2017-138-eib-group-cooperation-with-china-to-be-strengthened-with-new-eur-500-million-silk-road-fund-equity-investment-initiative.htm>

Gambino, Lauren. "Mike Pompeo: Who Is Trump's New Pick for Secretary of State?" The Guardian. March 13, 2018. Accessed April 23, 2018. <https://www.theguardian.com/us-news/2018/mar/13/mike-pompeo-who-is-he-secretary-state-trump-new-rex-tillerson-from-cia>

- "JOINT RELEASE: Initial Results of the 100-Day Action Plan of the U.S. – China Comprehensive Economic Dialogue." Department of Commerce. September 20, 2017. Accessed February 27, 2018. <https://www.commerce.gov/news/press-releases/2017/05/joint-release-initial-results-100-day-action-plan-us-china-comprehensive>
- Kamphausen, Roy D. "Testimony before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific." United States House of Representatives. November 15, 2017. Accessed April 22, 2018. <https://docs.house.gov/meetings/FA/FA05/20171115/106635/HHRG-115-FA05-Wstate-KamphausenR-20171115.pdf>.
- Ki, Jim Yong. "Remarks of World Bank Group President Jim Yong Kim at the Belt and Road Forum for International Cooperation – Opening Plenary Session," World Bank Group. May 14, 2017. Accessed February 03, 2018. <http://www.worldbank.org/en/news/speech/2017/05/14/remarks-of-world-bank-group-president-jim-yong-kim>
- Landler, Mark, and Michael Forsythe. "Trump Tells Xi Jinping U.S. Will Honor ‘One China’ Policy." *The New York Times*. February 09, 2017. Accessed February 27, 2018. <https://www.nytimes.com/2017/02/09/world/asia/donald-trump-china-xi-jinping-letter.html>
- Lehmacher, Wolfgang. "Why China could lead the next phase of globalization." World Economic Forum. November 22, 2016. Accessed March 02, 2018. <https://www.weforum.org/agenda/2016/11/china-lead-globalization-after-united-states/>
- Maulia, Erwida. "China Becomes Indonesia's No. 2 Investor with Infrastructure Drive." *Nikkei Asian Review*. February 01, 2018. Accessed April 01, 2018. <https://asia.nikkei.com/Politics-Economy/Economy/China-becomes-Indonesia-s-No.-2-investor-with-infrastructure-drive>.
- "Members and Prospective Members of the Bank." Members of the Bank - AIIB. Accessed March 01, 2018. <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>
- "Members." Asian Development Bank. November 21, 2017. Accessed December 01, 2017. <https://www.adb.org/about/members>.
- Miller, S.A. "Donald Trump Keeps Campaign Promise to Abandon Trans-Pacific Partnership." *The Washington Times*. January 23, 2017. Accessed March 31, 2018. <https://www.washingtontimes.com/news/2017/jan/23/trump-pull-out-trans-pacific-partnership/>.
- Ministry of Foreign Affairs of the People's Republic of China. "President Xi Jinping Delivers Important Speech and Proposes to Build a Silk Road Economic Belt with Central Asian Countries." September 07, 2013. Accessed November 05, 2017. http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfwzysiesgjtfhshzzfh_665686/t1076334.shtml

- March 04, 2018. <http://www.icsin.org/publications/chinas-belt-and-road-initiative-bri-implications-prospects-consequences-impact-on-indian-its-china-diplomacy>
- "Regional Comprehensive Economic Partnership (RCEP)." Association of Southeast Asian Nations. October 3, 2016. Accessed April 01, 2018. http://asean.org/?static_post=rcep-regional-comprehensive-economic-partnership.
- "Regional Comprehensive Economic Partnership." China FTA Network. Accessed March 02, 2018. <http://fta.mofcom.gov.cn/list/rcepen/enrcepnews/1/encateinfo.html>
- "Remarks by Secretary Mattis at Shangri-La Dialogue." U.S. DEPARTMENT OF DEFENSE. June 3, 2017. Accessed March 08, 2018. <https://www.defense.gov/News/Transcripts/Transcript-View/Article/1201780/remarks-by-secretary-mattis-at-shangri-la-dialogue/>
- "Remarks by President Trump and President Xi of China at State Dinner." The White House. November 9, 2017. Accessed April 01, 2018. <https://www.whitehouse.gov/briefings-statements/remarks-by-president-trump-and-president-xi-of-china-at-state-dinner-beijing-china/>.
- "Remarks of World Bank Group President Jim Yong Kim at the Belt and Road Forum for International Cooperation – Opening Plenary Session." World Bank. May 14, 2017. Accessed November 30, 2017. <http://www.worldbank.org/en/news/speech/2017/05/14/remarks-of-world-bank-group-president-jim-yong-kim>
- "Senior Japanese politician to attend Belt and Road Forum." Senior Japanese politician to attend Belt and Road Forum - Xinhua | English.news.cn. April 25, 2017. Accessed March 04, 2018. http://www.xinhuanet.com/english/2017-04/25/c_136235131.htm
- "Shareholders." European Investment Bank (EIB). Accessed February 09, 2018. <http://www.eib.org/about/governance-and-structure/shareholders/index.htm>
- "Shareholders." European Investment Bank (EIB). December 20, 2017. Accessed March 20, 2018. <http://www.eib.org/about/governance-and-structure/shareholders/index.htm>.
- "SILK ROAD Dialogue, Diversity & Development." UNESCO. Accessed March 09, 2018. <https://en.unesco.org/silkroad/about-silk-road>.
- "Sino-U.S. Trade and China's Belt and Road Initiative." The National Bureau of Asian Research. Accessed February 27, 2018. <http://nbr.org/research/activity.aspx?id=7e6645be-3c6b-4b7c-a730-71c184d70a52>
- "Study of the Belt and Road Initiative: Technical Assistance Report." Asian Development Bank. July 11, 2016. Accessed December 01, 2017. <https://www.adb.org/projects/documents/prc-study-of-the-belt-and-road-initiative-tar>.
- "The Belt and Road Initiative: Country Profiles." The Belt and Road Initiative: Country Profiles KTDC. Accessed March 28, 2018. <http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/The-Belt-and-Road-Initiative-Country-Profiles/obor/en/1/1X000000/1X0A36I0.htm>.

"Who We Are." European Investment Bank (EIB) - At a Glance. February 02, 2018. Accessed March 20, 2018. <http://www.eib.org/about/index.htm>.

Wuthnow, Joel. "Securing China's Belt and Road Initiative: Dimensions and Implications." U.S.-China Economic and Security Review Commission. January 25, 2018. Accessed April 22, 2018. https://www.uscc.gov/sites/default/files/Wuthnow_USCC_Testimony_20180123.pdf.

Ying Fu, "Speech by Fu Ying," Munich Security Conference, February 13, 2016, 2016. Accessed November 30, 2017. <https://www.securityconference.de/en/activities/munich-security-conference/msc-2016/speeches/speech-by-fu-ying/>