

DEVELOPMENT PROSPECTS OF THE «ONE BELT, ONE ROAD» PROJECT

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The article focuses on the development prospects of China's «One Belt, One Road» initiative. The article stresses that the launch of the project has marked the emergence of new international relations between countries. The article provides a brief description of the China-Belarus industrial park «Great Stone» as an example of successful international integration.

The ancient civilizations of China, Central Asia, India and Mediterranean region developed robust trade and the exchange of cultural values over two thousand years ago. The cities along the ancient Silk Way were taking new shape, gradually becoming large and bustling trade hubs. The mutual exchange of cultural values and strengthening of the economic relations led to long-standing mutual prosperity between eastern and western countries. The Great Silk Road bridged the gap between the East and West peoples, completely different at that time both culturally and economically, thus showing humanity the significance of international relations (Fig. 1).



Fig. 1. «One Belt, One Road» initiative [0]

Nowadays, humanity is entering a new stage of economic globalization. Market competition is gaining pace, giving a rise to an urgent need for new models of international economic cooperation that could meet all the challenges of the 21st century. In 2013 Chinese President Xi Jinping announced the «One Belt, One Road» initiative. The «One Belt, One Road» initiative is a highly ambitious and promising project that requires considerable international attention. The new Silk Road aims at developing a complex infrastructural network – maritime and land trade corridors that would ensure rapid cargo delivery on favorable terms between countries of Asia, Africa and Europe. The «One Belt, One Road» strategy includes «The Silk Road Economic Belt» that would make it possible to deliver goods from China to Europe through Central Asia and the Middle East and the «21st century Maritime Road» connecting the southern coast of China to the eastern countries of the African continent and the Mediterranean region.

Special economic zones, logistics centers, highways, extensive networks of high-speed rail transport, seaports, gas and oil pipelines and other high-tech infrastructural installations with liquid investments and the absence of trade borders will promote the development of new models of economic cooperation between more than 60 Eurasian countries. «One Belt, One Road» will approximately cover 65% of world population and 40% of Global GDP, thereby becoming the biggest project in human history [2].

The Belt and Road philosophy is based on the desire to develop new international integration mechanisms where each participating country will have a special role to play increasing and diversifying its economic opportunities through close cooperation with China. The cooperation free of the imposition of political conditionality in accordance with the objectives of each country or group of countries is a cornerstone of the Chinese initiative.

The successful implementation of the project will produce geopolitical benefits. Strengthening the position of China in international arena as a host country responsible for the development of the global infrastructure network will be a result of mutually beneficial cooperation underlying the deep philosophy of the project.

The «One Belt, One Road» project is still in its most important early stages of development with the foundation for the long-term international relations being laid. Two issues of economic and ecological nature arise while financial institutions are looking for prospective investors and each country along the route is being closely analyzed.

Part of the Chinese production is going to be exported to resourced countries which will not only help to solve the problem of overproduction and provide new markets with Chinese goods, but improve environmental status of China suffering from serious ecological problems. Adverse changes in natural systems of the countries the production will be exported to can lead to irreparable consequences that even the wealthiest countries would not be able to resolve.

The increasing anthropogenic load requires China to maintain ecological balance on each section of the Belt and Road route during the construction and use of its infrastructure. Special attention should be paid to the waters along the 21st Century Maritime Road trade corridors, since marine resources play a substantial role in the economy of the coastal countries. The state of the maritime corridors will have a great impact on sustainable development and success of the Belt and Road project.

The project needs to comply with the strict international ecological standards and needs to be rigorously monitored by environmental organizations. Since humanity is entering the new millennium people should preserve ecosystems and biodiversity to future generations. Unfortunately, there is still no organization with a special focus on nature protection due to the implementation of the Belt and Road project. China should adopt the best practices of the most eco friendly countries so that it could take responsibility for building a global trade network. There is a need for a special financial institution with the participation of all the stakeholders the main task of which will be investing in environmental safety.

There is a need for a systematic environmental approach to the modernization of the steel and cement production with a view to exporting to the participating countries. It is also important to develop alternative sources of energy that could completely replace harmful traditional sources. It must be understood that the transition to the alternative sources of energy is a gradual process requiring considerable financial inputs, technologies and highly qualified specialists in the energy sector. China is one of the few countries capable of developing an eco-friendly infrastructural network given there are subsequent and well-coordinated actions.

The implementation of such a large-scale infrastructure project has always entailed high risks. Apart from the corresponding experience, high technology and qualified labor force that China possesses, the Belt and Road project requires a well-developed investment plan encompassing all the features of each region and the allocation of financial resources in accordance with the involvement of each country along the route. The project financing is considered by the Asian Infrastructure Investment Bank, the Silk Road Fund, the New Development Bank BRICS and the Asian Development Bank. State-owned Industrial & Commercial Bank of China, China Construction Bank, Agricultural Bank of China and Bank of China are also involved in the funding. If the Chinese financial sector faces problems, not only the countries involved but the whole world economy might be under threat.

The Middle East and the former Soviet Union countries in Central Asia are considered to be the most risky destinations for investment despite the fact that they will have a crucial role to play in the development of the Belt and Road initiative. Military conflicts in the Middle East and the water crisis in Central Asia constitute a threat to the sustainable development of the project. The government of China will probably have to give up on its expensive production in some of the countries in the area or use them only as part of its transit routes. A detailed analysis of the trade corridors and risks at each part of the route, including a financial resources distribution plan based on rationality, will ensure sustainable development of the project and benefit the world economy (Fig. 2).

Belarus is among the countries that participate in the development of new Silk Road. The China-Belarus industrial park «Great Stone» is a vivid example of successful international cooperation based on close mutually beneficial relations between the two countries. The Great Stone Industrial Park is a special economic zone which will account for about 10% of bilateral trade between China and Europe. The infrastructure of the park is a city with highly developed industrial, logistics and residential zones that are designed to create more than 130.000 jobs and places for comfortable living by 2030. The park provides all conditions for doing business and attracting investors. Joint work with China will help to develop the park in the most promising directions of modern economy [4]. The industrial park is considered to be the most substantial project within the framework of the China-Belarus cooperation setting an example to other countries.



Fig. 2. The China-Belarus industrial park «Great Stone» [3]

The park could be seen as a suitable location for the deployment of various types of production. An advantageous geographical location is the most important feature of the park. Close proximity to the Minsk International Airport and the availability of railway and highway networks reinforce and complement the position of Belarus as a link between the CIS and Europe. Friendly relations with Latvia will contribute to enhanced interaction between the Great Stone Industrial Park and Latvian ports, thereby providing the goods with an outlet to the Baltic Sea. In addition to the free flow of goods, investments, labor force and services resulting from the Belarus' membership in the Eurasian Economic Union, various tax incentives are provided in the park. The Great Stone Park has become the first in Belarus to receive the EMAS (Eco-Management and Audit Scheme) certificate. The certificate demonstrates the environmental effectiveness of the park.

Humanity has always strived to discover something that would improve the life of people. The Belt and Road project's priority is to unleash the potential of the cooperation in all fields of modern economy improving standards of living along the route. The success of the initiative depends not only on China, but also on each country involved. In order to achieve high standards of living, all the policy processes must be coordinated and the financial cooperation between all the countries concerned must be deepened. Solid intergovernmental relations and the freedom of capital movement would allow to expand and improve the whole infrastructure creating new jobs and decent incomes. Scholarships and educational exchange programs are a good way to encourage students all over the world. Investments in education would enable to produce highly qualified specialists contributing to the experience and culture exchange.

China faces the challenge of reconciling both extensive and intensive ways of the development of the new Silk Road retaining the deep philosophy of shared prosperity and a balance between humanity and nature. A lot of work is to be done to seek a new innovative technology and new points of convergence in the area of international integration. «One Belt, One Road» is going to become a breakthrough in international relations that will enable humanity to enter a new era of globalization.

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