China's Westward March: Strategic Views of One Belt, One Road

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The New Silk Road Economic Belt and the 21st Century Maritime Silk Road, 'One Belt, One Road' (一帶一路, OBOR) initiative, were proposed by Chinese President Xi Jinping in 2013. OBOR are plans to draw down \$50 billion from the Asian Infrastructure Investment Bank (AIIB), use a \$40 billion New Silk Road Fund, and borrow from the New Development Bank established by the BRICS states. The geographical linkage envisaged by the OBOR is based on building on the existing and planned global linkages between various regions and local points on the Eurasian continent. The OBOR is an overt expression of China's power ambition in the 21st century, aiming to refashion the global geopolitical landscape, although it is true that the OBOR was initially motivated by domestic economic development goals. The OBOR bears a close resemblance to US foreign policy before and after the US rose to being a superpower after WWII. China's recent efforts at amending its foreign policy (周邊外交) are very much related to this point. It is embodied in conceptualization of 'a community of common destiny,' and the four basic principles of the foreign policy as friendship (親), faithfulness (誠), benefits (惠), and tolerance (容). The approach reminds us of an imperial way of state's strategy. North Korea would be an obstacle if South Korea were engaged in the OBOR initiative, which would work against its own Eurasia Initiative. During the time it is worth questioning the extent to which South Korea has managed to frame its participation in the OBOR under the shadow of the US-South Korea alliance.

Key Words: one belt one road, Asia Infrastructure Investment Bank (AIIB), Chinese foreign policy, Eurasia Initiative, imperialism.

The New Silk Road Economic Belt and the 21st Century Maritime Silk Road 'One Belt, One Road' (一帶一路, OBOR) initiative were proposed by Chinese

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President Xi Jinping in 2013. The Silk Road Economic Belt was unveiled by President Xi at Nazarbayev University on September 7, 2013 during a visit to Kazakhstan. Meanwhile, the New Maritime Silk Road was announced before the Indonesian Parliament on October 3, 2013 during Xi's visit to Indonesia. In both proposals, he officially announced one of China's most far-reaching projects, where there are plans to draw down \$50 billion from the Asian Infrastructure Investment Bank (AIIB), use a \$40 billion New Silk Road Fund, and borrow from the New Development Bank established by the BRICS states. The Chinese government issued an official document on March 28, 2015 laying out the principles and priorities for the OBOR, which encapsulates a massive land- and sea-based infrastructure project linking some 60 countries from China through Central Asia to Europe and Africa. As it stands, the OBOR is supposed to interact with 55 percent of world gross national product, 70 percent of the world's population, and 75 percent of known energy reserves (National Development and Reform Commission 2015).¹

The OBOR proposal comprises roads, railways, energy pipelines, and telecommunications ties to create linkages between China, Central Asia, the Middle East, Europe, and Russia. The maritime road will extend from China's coast through the South China Sea, the Indian Ocean, the Red Sea, and on to the Mediterranean Sea, with stops in Africa along the way. It reminds one of the ancient trade route in the Eurasian continent, which evokes one of the most romantic images of geography, with its great caravan cities stretching from Damascus to Luoyang, long lines of camels, and impenetrable mountain barriers and endless deserts. The Silk Road is part of Chinese history, dating back to the Han and Tang dynasties, two of the greatest Chinese empires. The Kenyan capital of Nairobi is planned to be a stop on the New Silk Road. Meanwhile, Beijing is planning a \$3.8 billion railroad connecting Nairobi to the Indian Ocean port of Mombasa. The idea of the OBOR is not about a single route but about building networks of connectivity. The geographical linkage envisaged by the OBOR is based on building on existing and planned global linkages between various regions and localities on the Eurasian continent (*China Daily* 2017).

The official document is the outcome of extensive discussions for many years among academics and policymakers within China. A rising China now seeks ownership of the 'silk road' phrase and to bring it to fruition in a modern incarnation. Many questions have been raised by observers since the plan was released (Godement 2015; Dollars 2015; Downs 2015). Chinese scholars consider

¹ National Development and Reform Commission issued the document 'Vision and Actions on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road' in 2015.

the OBOR to be “a new round of opening to the world” and “a good international economic strategy” (Jia 2015; Huang 2015). There also has been much discussion of the outlook and feasibility of the China-founded AIIB. In geo-economic terms, the uncertainty about the OBOR is mostly debated by suspicious observers who are not sure that investing such huge amounts into low-return projects and high-risk countries surrounding China will be worthwhile. With all of these conflicting pessimistic and optimistic outlooks, this article is mainly concerned with Chinese strategic intentions. Why has China come up with this plan now? What are the strategic intentions behind it? How can it be interpreted in the sense of Chinese foreign policy and international power competition in the world order?

Given the fact that the OBOR has only recently been proposed and implemented by the Chinese government, a rigorous examination of it would be somewhat premature. Instead, this article tries to provide a good general outline of the emergence of the OBOR initiative and several conceptualizations of OBOR in a Chinese foreign policy sense—as akin to the U.S. Monroe Doctrine, imperialism, traditional tributary systems, and great power politics. Although those conceptualizations are not deep enough or clearly coherent, and may even contradict each other, they are believed to be a first step towards understanding the incipient OBOR in myriad ways. This research also aims to provide some interlinking contents of the OBOR in the context of the Korean Peninsula and implications from a Korean perspective.

DOMESTIC DEMANDS

China sees the OBOR as a grand strategy or, in other words, a second Open Door Policy to the West in the 21st century. Following reform and the start of the Open Door Policy in 1979, the eastern coastal regions became the country's most dynamic areas due to their geographical advantage and ease of access for imports and exports. As a result, resources and labor moved to the east coast. Consequently, regional imbalance in China's development has become a big risk to the sustainability of the economy and social stability. With the expectation of becoming a moderately well-off society (全面建设小康社会) in the near future and with the Xi Jinping era regarded as a strategic opportunity to realise ‘China's dream’ (中國夢), the country needs to reallocate industrial overcapacity, deleverage key sectors, and deploy its U.S. \$3.5 trillion of foreign exchange reserves productively. Since 2000, China has made efforts to reduce the gaps between the eastern and western regions, such as by developing the ‘Grand Western Development Strategy’ (WDS), which covered 12 provinces, regions,

Figure 1. China's One Belt, One Road Initiative

and cities. Although the WDS has achieved visible progress, the imbalance has not been significantly addressed (Zhang 2015).

The OBOR is a more comprehensive roadmap than the WDS, covering the whole Eurasian continent. Compared with the inward nature of the WDS, the OBOR emphasises both inward and outward strategies. The OBOR is designed to open China's western border to neighbouring countries. The land connections between China and the countries along the OBOR will require cross-border infrastructure networks, including roads, railways, and airports. The OBOR also aims to modernise ports. Harbour zones will be built and logistical networks created via the Maritime Silk Road, and infrastructure networks and economic zones will be developed via the land-based Silk Road Economic Belt. The OBOR will also help to develop new economic opportunities, which is a significant part of China's economic restructuring.

The Chinese economy is now transforming itself into a 'new normal' (新常态), moving from a rapid growth phase to a moderate growth phase. In order to create sustainable growth, it is important to build up a momentum for growth both internally and externally based on new competitive capacities (Pei 2006; Naughton 2007). The new growth frontier for the global economy lies in developing countries. Most of China's northern, southern, and western regions are also developing economies. Poor infrastructure and weak industrial supply chains between developing countries and these Chinese regions have created

bottlenecks. Due to planned investments in infrastructure and industrial zones, it is expected that the initiative will nurture new growth potential for vast areas of Eurasia by connecting China and regions of Central Asia to Europe and Africa. China will play a key role in leading the projects under the OBOR since it has some special advantages in terms of being able to provide investment capital, equipment, technology, and experience in developing infrastructure networks and industrial zones. The Chinese development model, called the Beijing Consensus, is becoming attractive for many developing countries (Halper 2010).

The idea of a push to the west is not a new one. A number of proposals and actions have been undertaken over the years, including the China-Pakistan economic cooperation, various economic agendas under the Shanghai Cooperation Organization (SCO), the Bangladesh-China-India-Myanmar (BCIM) economic cooperation, and the China-Mongolia-Russia economic cooperation. What the OBOR intends, in some respects, is to pull together these various initiatives into a comprehensive framework that establishes a grand foundation for facilitating international cooperation between China and its OBOR partners.

INTERNATIONAL RESPONSE AND PROGRESS

The document “Vision and Actions on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road” stresses that the OBOR is an important initiative for cooperation through devising an innovative approach to sharing responsibilities, resources, and benefits. After the idea of an AIIB was raised, within 18 months, 57 countries had expressed interest in joining it. For the Chinese, the initiative was considered a diplomatic victory, one that was received with a lot of excitement. More importantly, the AIIB was created to fill a real need in terms of infrastructure financing in the underdeveloped countries surrounding the Eurasian continent. Chinese analysts regard the AIIB as a multilateral development bank for a new age, criticising current international financial institutions such as the Bretton Woods institutions, which were set up 70 years ago, reflecting the US economic dominance of the time (Shen 2015). Certainly, China’s over-accumulation of foreign exchange reserves in dollars, euro, yen, depreciating commodities, and some major foreign investments proved to be a mistake. The 2008 global financial crisis taught China that it would be safer to deploy foreign exchange reserve funds in RMB-denominated investments (Overholt 2015).

The \$40 billion Silk Road Fund was established in December 2014. It is viewed as the primary bilateral investment vehicle for projects under the OBOR. At

least \$16 billion will be dedicated to funding projects in Central Asia. The fund was capitalised with contributions from China's foreign exchange reserves, the China Investment Corporation, the Export-Import Bank of China, and the China Development Bank. China announced that the first investment from this fund would be \$1.65 billion for the construction of a hydroelectric dam across the Jhelum River in northern Pakistan (*South China Morning Post* 2015).

China's OBOR has received enthusiastic responses, and a certain amount of progress has been made so far. The proposal to establish the AIIB created much debate among the international financial order. Some regarded it as China's counter strategy to challenging the U.S.-led existing international financial system. Despite all the controversies, in January 2016, 57 countries and regional groups signed up as founding members of the AIIB, including the EU and South Korea. Brazil, India, South Africa, and Russia formally announced the establishment of the BRICS New Development Bank. While China announced it would not have any formal veto power, Beijing holds a 30.34 percent stake in the AIIB, and the articles of agreement require that 75 percent support is required for decisions to be made on major operational and financial policies. The AIIB also has a clear regional approach, requiring regional members to hold a minimum 75 percent stake in the bank. Regional governors elect 9 out of 12 members of the board directors (*South China Morning Post* 2015).

China has also pushed for the Shanghai Cooperation Organization (SCO) to establish a financial institution that would provide an additional stream for the OBOR initiative. In July 2015, President Xi and Russian President Vladimir Putin agreed to take steps to integrate the OBOR with the EEU, using the SCO as a coordinating platform (*Xinhuanet* 2015). The SCO granted Afghanistan observer status in 2012, and in July 2015, it voted to grant full membership to India and Pakistan. China wants the SCO to play a driving role in the OBOR. In total, China's recent pledge adds up to \$1.41 trillion, in comparison to the Marshall Plan, which cost the equivalent of \$103 billion in today's money.

The OBOR contains four interrelated objectives: improving regional infrastructure, increasing regional economic policy coordination, removing barriers to trade, and encouraging cultural ties to build support for the broader project. The project lays out a set of transportation, energy, and telecommunication infrastructure works, coupled with plans for increased regional diplomatic coordination, financial integration, and cultural exchange (National Development and Reform Commission 2015). The tasks of the OBOR initiative are set out in the following 'five communications' (5通論):

- Coordinating economic development strategies and policies, working out

plans and measures, and providing policy support for implementation by partners;

- Enhancing connectivity through building infrastructure networks, and integrating construction plans and systems of technical standards;
- Improving investment and trade facilitation, and removing investment and trade barriers to create a sound business environment;
- Deepening financial cooperation through building a stable currency system, an investment and financing system, a credit information system, and a currency swap and settlement system, as well as developing bond markets;
- Promoting cultural and academic exchanges, personnel exchanges and cooperation measures, media cooperation, youth and women exchanges, and volunteer services, all of which will help to win public support.

While there is real enthusiasm among the Chinese policy community about the OBOR's future, there are also concerns about the way domestic and regional politics may work out. The five communications are designed to appeal to regional clients who might remain sceptical of China expanding its sphere of influence.

A NEW GREAT GAME?

The Eurasian continent, especially Central Asia, has long been a competitive place for power games by the great powers (Hopkirk 1992). Today, we can see four major players involved: a dominant United States, a rising China, a resurgent Russia, and the EU. Recently, these powers each proposed a vision for restoring the Silk Road. This new great game is getting more complex as each one's interests increasingly overlap.

In the summer of 2011, then-US secretary of state, Hillary Clinton, proposed the development of a 'New Silk Road,' a trade and investment programme to serve as the foundation for rebuilding Afghanistan's economy after the U.S. troop withdrawal. This idea was proposed to interact with the U.S. 'Pivot to Asia' (renamed as a rebalancing strategy), which addressed the excessive U.S. focus on Afghanistan and Iraq that had led to neglect of far greater strategic and economic interests in China, Japan, and East Asia, in general (Glaser 2012). At any rate, the New Silk Road geostrategic vision intended to contain Russia, Iran, and China, with military bases in Afghanistan linking Central Asia and South Asia. Russia, most of whose territory is in Eurasia, established the Eurasian Economic Union (EEU) in 2015. Russia has been publically promoting the initiative and

has called for China-EEU cooperation (*Sputnik* 2015). A recent announcement regarding plans to integrate the OBOR with the EEU and apparent support for the SCO playing a greater role in coordinating economic development in Central Asia indicate that Russia sees the benefit of China's investment in the region.

As the United States is seeking to rebalance towards Asia and away from Europe and the Middle East, China is moving westward; that is, retreating from the American westward containment strategy of strengthening its alliance with Japan and launching a U.S.-led economic sphere of influence, the Trans-Pacific Partnership (TPP). China is pivoting away from East Asia to avoid excessive confrontation with the United States. As Sun Tzu said, "When the enemy advances, we retreat." Russia considers Central Asia to be its backyard, while the Central Asia-China corridor is one of the most important economic networks in the OBOR project. Russia also feels threatened in Siberia and the Far East by Chinese migration. Meanwhile, China and Russia have shared interests through institutional cooperation, such as via the Shanghai Cooperation Organization, the BRICS New Development Bank, and the UN Security Council. They have common gas projects such as the Power of Siberia and the Altai pipelines, and they have signed many agreements to facilitate trade and investment. However, the OBOR will be a serious geopolitical challenge from the Russian point of view.

China has committed \$46 billion to the development of Pakistan as a strategically important goal because it is a nuclear power. China has planned the development of the port of Gwadar to devise a credible vision for civilising one of the world's great hubs of terrorism, drugs, gangs, and human trafficking, and also has reached a landmark understanding with India on key water issues. India sees China's OBOR as a new string-of-pearls strategy designed to encircle India in a similar way to how China sees the United States' pivot to Asia. Chinese support of Pakistan in the border disputes between it and India will mean the latter will be once removed from the implementation of OBOR. That both countries took full membership at the Shanghai Cooperation Organization this year might lessen the dilemma. China hopes that India will seek to enlarge its international role by creating an external environment that is not reliant on U.S. military power but on China's economic power. While India is both the second-largest shareholder in the AIIB and a partner with China in the BRICS New Development Bank, it has made strong statements that it does not view the OBOR as a truly multilateral effort (*Deccan Herald* 2015). India's concerns are compounded by the fact that China's OBOR plan will run through Pakistan's Gilgit-Baltistan province, a territory ruled by the Maharaja of Kashmir before 1947, and which India regards as disputed territory.

GRAND STRATEGY OF CHINESE FOREIGN POLICY

The OBOR is an overt expression of China's power ambitions in the 21st century, aiming to refashion the global geopolitical landscape. It is true, however, that the OBOR was initially motivated by domestic economic development goals. The ontology of international political economy, rather than that of great power politics, is more helpful for understanding the implications of China's OBOR initiative. According to Robert Gilpin's working definition, political economy means the "reciprocal and dynamic interaction in international relations of the pursuit of wealth and the pursuit of power" (Gilpin 1975, 43). The OBOR has clear geographical targets in Central Asia and the Eurasian continent, in which China is seeking to enlarge its spheres of wealth and power by providing financial, political, and cultural resources for this regional development project.

The Chinese official statement regarding OBOR seems to be mindful of observers' criticisms of China's real intentions. In his annual address to the press in March 2015, China's Foreign Minister Wang Yi commented that the OBOR was not a tool of geopolitics and that the project should not be conceived of in terms of an outdated Cold War mentality (Ministry of Foreign Affairs of the People's Republic of China 2015). Chinese official comments stressed that China, as a state integrated into the international system, did not want to intrude on any established interests of associated countries or existing international and regional institutions.

However, some internal Chinese voices have argued that the OBOR is a hedging strategy against the eastward move of the U.S. pivot to Asia. Wang Yiwei has noted the prospect of a U.S. regional strategic encirclement of China, and the intension of the OBOR to assist in the development of China's neighbouring countries (Wang 2015). One source describes the initiative as a response to the current geopolitical landscape marked by the U.S. rebalance to Asia, Japan's normalisation, and an increasing wariness among China's Asian neighbours, including a rapidly developing India (Xue and Xu 2015). The 'westward march' by necessity contains the ingredients of Chinese strategic thinking. President Xi's mention of the vision of the OBOR included the more straightforward comment that the interests of Asian countries have become intertwined and "a community of common destiny" (運命共同體) has increasingly taken shape.

In the context of foreign policy and a security agenda, the OBOR bears a close resemblance to U.S. foreign policy before the United States rose to being a superpower after WWII. In fact, the Monroe Doctrine shows that the United States did not want to engage in the power politics game in Europe, and that it developed a very cooperative relationship, economically and politically, with

countries on the American continents (Zakaria 1998, 44-127). In realising the 'China Dream' and superpower status in the international system, China has expressed its desire for an expanding role in the international community (Breslin 2010, 52-62). Especially in its region, China clearly is seeking to create a community of common destiny with neighbouring countries, just as the United States stabilised its backyard on the American continents up through the mid-20th century. In other words, the OBOR also resembles the U.S. Cold War policy of rejuvenating Japan and Western Europe and promoting development elsewhere. This created a global network where the most prosperous countries were U.S. allies supportive of U.S. interests. The OBOR seems to be designed to create countries in the greater region supportive of China.

China's recent efforts at amending its foreign policy (周邊外交) are very much related to this point. In October 2013, the roundtable talks of the seven standing committee members of the Politburo were first held to discuss foreign policy just after the OBOR was announced. The discussion, aimed at a high-profile redesign of China's foreign policy, established strategic goals, basic principles, and an overall structure for implementation of 5 to 10 years. President Xi stressed that China and its neighbouring countries were a community of common destiny, one that went beyond their individual interests, conceptualising the four basic principles of the PRC's new foreign policy as friendship (親), faithfulness (誠), benefits (惠), and tolerance (容) (*Xinhuanet* 2013).

China's new Asian security concept proposed by President Xi at the Conference on Interaction and Confidence Building Measures in Asia (CICA) in May 2014 was designed to support the implementation of the OBOR and exclude the intervention and engagement of the United States in the long term. President Xi criticised "the outdated thinking from the age of cold war and the zero-sum game" and stressed the need to develop innovative security concepts, establish a new regional security cooperation architecture, and jointly build a road for the security of Asia (Ministry of Foreign Affairs of People's Republic of China 2014). Words and phrases like friendship, faithfulness, benefit, tolerance, and community of common destiny remind us of the traditional Chinese order referred to as a tributary system, which regulated the 'Son of Heaven' and the tributary nations of East Asia using ethical norms (Fairbank 1963). In that sense, the OBOR absolutely is not a simple development project for Chinese neighbouring countries. It has been supported by a well-designed foreign policy agenda that seeks wealth and power in conjunction with those interlinked countries to the west.

ONE BELT, ONE ROAD: AN IMPERIAL WAY?

Imperialism has not formed a major part of the mainstream of the scholarly literature on world politics because a central assumption of realist international relations theorists is that the world political system should be conceived of as anarchical. Imperialism's foundation is not anarchy but order, albeit an order imposed on others and sometimes strained. To explain empires and understand imperialism, it is necessary to combine insights from several sources. Empires are defined as "relationships of political control imposed by some political societies over the effective sovereignty of other political societies," so imperialism is "the process of establishing and maintaining an empire" (Doyle 1986, 19).

Clearly, the OBOR is just at the beginning stage of its development. There is not enough evidence of its progression to review it within the framework of imperialism. However, there are some aspects that remind us of imperialism and how it might be compared with an imperial strategy. Its internal causation is similar to imperialism. Hobson and Lenin argued that the driving forces of imperialism were the result of domestic needs arising from the metropolitan interests of financiers, investors, and foreign policymakers. In that sense, the OBOR matched with this explanation of imperialism because it firstly was considered and designed with the stimulation of the domestic economy in mind. The overcapacity and overinvestment in coastal areas during the Open Door Policy now have to be adapted to a new age of Chinese economic development. Furthermore, investment and trade are part of diplomacy. The Chinese government has skilfully linked its overseas investment and economic influence to high-level official visits, to developing countries in particular (Medeiros and Fravel 2003; Shambaugh 2013).

Second, the Chinese proposal of policy coordination can be interpreted as intentional political control over its neighbouring countries. The scope of imperial control involves the political processes and political outcomes controlled by the metropole. The formal control of the effective sovereignty of a subordinate society involves controlling its political decision-making. The social, economic, and cultural environments of the metropole penetrate those of the periphery through metropolitan forces and actors. The proposed five communications include and accentuate the coordinating of economic development strategies and policies by promoting connectivity through cultural and personal exchanges. This articulation in the OBOR initiative might result in such political control, although China originally did not intend to wield such control. That is why neighbouring countries remain sceptical of China's OBOR initiative, considering it an expansion of China's sphere of influence.

Third, in East Asian history, imperial China was clearly the dominant military, cultural, and economic power in the tributary system, but its goals did not include expansion into its established neighbouring peripheries. These smaller peripheries in the region accepted Chinese centrality. Built on a mix of legitimate authority and material power, the tributary system provided a normative social order that also contained credible commitments by metropole China not to exploit those peripheries that accepted its authority. In Chinese civilisation, most Sinicized peripheries formed a Confucian society with shared norms and values, as well as an agreement on what constituted membership (Fairbank 1983, 53-79; Kang 2010, 54-55). The way of strengthening control over neighbouring countries has been inherited in the OBOR programme. The OBOR has the potential of increasing Chinese economic influence over neighbouring countries by connecting their infrastructure and supporting economic development. Throughout this process, China also regards the cultural exchange component of the five communications as critical to sustaining the OBOR project, and it could be constituted as a normative rule. This paper does not argue that the OBOR world will be a hierarchical order, only that China could easily find a way of controlling neighbouring countries using a culturally inherited and embedded approach.

Considering the historical facts of China's territorial, administrative, and ideological achievements over numerous centuries, the elements of the Chinese empire, the outlived dynastic failures, and the periods of disintegration, civil wars, and even revolution up to modern times, an imperial interpretation of the OBOR cannot be discarded. In some sense, China's regenerated tributary mentality has worked so far. Its vision of 'peace and development' and strategic Asian regionalism and multilateralism based upon community building through its formidable diplomatic efforts have been sought since the 1990s.

IMPLICATIONS FOR THE KOREAN PENINSULA

The successful implementation of the OBOR depends upon the transformation of China's domestic economic growth model outlined in the Third Plenum of the Chinese Communist Party Congress in 2013. It also depends upon creating a system that, with reasonable consistency, produces creditworthy projects that host countries accept, as well as common standards that balance the need for repayment and profit against the needs of the host countries to feel politically respected and to be economic equals.

In geographical terms, the most intriguing part of the OBOR is that the

Korean Peninsula and Japan are missing from the initiative. Chinese sources do not provide a reason. Reminding ourselves that the project is associated with Chinese domestic economic development and its external linkages, we can imagine that substantial projects will take place in China's three northeast provinces, where it has developed its infrastructure under the title of the 'Revive the Northeast' scheme. The OBOR's exclusion of the Korean Peninsula is, as noted above, due to the critical direction of the OBOR being westward in order to avoid a strategic confrontation with the United States.

The other reason that China is by necessity bypassing the eastern region is the obstacle of North Korea. As seen in the continuous stalemate over the Tumen River development schemes, North Korea, which geographically cuts the route to South Korea, has lost many opportunities to connect to South Korea and Japan. South Korea has been certainly curious about the possibilities of participation in and cooperation with the OBOR. In October 2013, the South Korean government came up with its own 'Eurasia Initiative,' which was designed and proposed to build geo-economic connections that would begin in Busan and go to North Korea, Russia, China, Central Asia, and Europe. This initiative sought a North Korea-Russia bilateral project at Rajin and Khasan as part of an effort to connect the trans-Korean railways with the trans-Siberian ones. A decision in 2013 by the South Korean government to accelerate the pace of the Eurasian Initiative led to the signing of 17 cooperation agreements with Russia at the St. Petersburg G20 meeting. Both governments incorporated visa exemptions, technology transfer agreements, shipbuilding contracts, and the trans-Siberian railways, with the aim of potentially opening a transport corridor from East Asia to Europe (*Korea Herald* 2013). Theoretically, this could link to the OBOR, but substantial development has not been made since it was proposed.

In spite of the frozen nature of the inter-Korean relationship, there is certainly a linkage between OBOR and South Korea's Eurasia Initiative, given that the initiative was designed by the Korean government to establish an economic cooperative system that connects Asia and Europe. The two continents would become one productive and peaceful continent called Eurasia through a new system of communication and cooperation. The Park administration expressed a strong desire to have its Eurasia Initiative integrated into the overall Chinese OBOR policy. The port of Busan, South Korea's second-largest city, would be an important hub under the plan of the 21st Century Maritime Silk Road, linking it to Lianyungang (連雲港) in Shandong Province. The proposal by the South Korean government, the 'Eurasia Energy Network', would tie in all the gas and oil pipelines of regional countries and develop natural resources together (*China Daily* 2015). However, the real achievements would be made if the inter-Korean

relationship were to be improved.

While North Korea would be an obstacle if it was engaged in the OBOR initiative and would work against South Korea's own Eurasia Initiative, it is worth questioning the extent to which South Korea has managed to frame its participation in the OBOR under the shadow of the U.S.-South Korea alliance. Although South Korea decided to join the AIIB, its membership will become riskier and more complicated when the OBOR begins to make strategic and military gains in Asia in the future.

CONCLUSION

The OBOR initiative largely has been welcomed by China's Asian and continental neighbours. It potentially can contribute positively to Eurasian integration. Certainly, the success of the OBOR will take numerous decades and will move forward only for as long as Chinese development sustains its growing momentum. Success depends upon the cooperation of regional and local leaders in various places and the extent to which they can mobilise political and financial resources from central leaders and foreign investors. The infrastructure financed by the Chinese initiative is the hardware of trade and investment, which is necessary but not sufficient to deepen integration. For the initiative's success, the software of integration will be required, reducing trade barriers, opening up services for trade and investment, and allowing central and local political leaders to overcome various regulatory barriers to trade. During this period, China's sprawling global interests may create new conflicts and influences to delineate its ambitions as a global problem-solver.

In seeking wealth and power to achieve the China Dream, the Xi Jinping government has made the OBOR a major foreign and economic policy hallmark of his administration. There is little doubt that it will be measured in large part by its development impact on the region. In some sense, the successful creation of the international financial institution of the AIIB by itself means that China's status in the international system has proven to be one of a hegemon that generally has its own ability to mobilise capital, labour, and the market for specific purposes in specific spheres. It is undeniable that China is meticulously constructing an alternative architecture to the post-war Western order.

The design of One Belt, One Road was part of a big move westward. Its achievement and success are blurry now. Even though it may be successful, it will take a long time, probably a couple of decades. During this period, the Asian chessboard will be restructured despite China's repeated characterisation of its

intentions as supplementing the existing order. There are many neighbouring countries surrounding China, and they are not only wary of China's westward march, but also expecting to gain benefits from it.

The Korean Peninsula could become a location where the idea of the OBOR substantially might be accomplished in the context of solving the North Korean nuclear issue in the not-too-distant future. However, the future of the Korean Peninsula should not be disengaged from the process of the Chinese OBOR project. The OBOR will take a more conspicuous shape around the Korean Peninsula when the North Korean nuclear issue has been resolved and the North-South Korean relationship has improved in the future.

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