The Analysis of the “One Belt and One Road” for the Game Between China and the United States

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Abstract. “The One Belt and One Road” is a common development and win-win cooperation strategy that was put forward by China and got the positive response of the Asian and European countries. But Japan and the United States is not active, the United States has bypassed China through the TPP. In this context, to establish a new pattern of relationship between China and the United States is of great importance. Cooperation in the competition is a basic guarantee to ensure the effective implementation of “the One Belt and One Road”. This paper first reviews the forming process and denotative and connotative meanings of One Belt and One Road, and then discusses the property analysis of Sino-US game through the SWOT analysis, and finally puts forward the path selection to One Belt and One Road.

Introduction

China is changing from a big trading country to a powerful trading country, from the taking advantage of globalization to the leading globalization. The implementation of the One Belt and One Road (B&R) and the Free Trade Area initiative is not only a clear Chinese positioning in the process, but also provide the conditions to obtain the initiative position for China. China and South Korea FTA, China and Australia FTA will become a hot spot in the international market in the future. It helps to reduce negative impact of US-led Trans-Pacific Partnership Agreement (TPP) on China. And it also plays a positive role to force and pin down the process of Japan and South Korea FTA, the Asia Pacific FTA.

1. The Problem of Introduction

The One Belt and One Road is not only a new method to upgrade and rebalance China’s economy by a new round of opening-up, but also a new strategy to expand the space of development and promote stability and prosperity of the regional economy through developing countries along the land and maritime silk road. Both of them complement each other, and promote each other, it is an initiative and concept of cooperation and development in the new period of China. “People’s Daily” authoritative commentary: Central Asia, Russia, South Asia and Southeast Asian countries is a priority, the Middle East and East Africa is an intersection area of The Belt and Road, Europe, CIS and some African countries can also be integrated into the cooperation in the long run. According to the above, open to the East, open to the South, open to the West are covered.

The significance of the Belt and Road lies in expanding foreign economic and trade relations, and promoting the cultural exchanges with relevant countries. It is not a “purely economic project”, however, related to political and military, diplomatic and other aspects. Therefore, it is necessary to take into account the political and economic interests, which are involved in the peace and stability of the world. The One Belt and One Road combined with China’s current actual situation, and inherited the historical experience of China. After 35 years of reforming and accumulating, Chinese economy has saved a great deal of strength, and it comes to the stage of going out. Objectively speaking, there lies competition and cooperation between the One Belt and One Road and TPP.
2. The Significance and Forming Process of the One Belt and One Road

2.1 Analysis of the current situation of the One Belt and One Road

The One Belt and One Road is a strategic policy of probing new economic growth point, and realizing the transformation from “bring in” to “bring in” and “going out”. In view of the economic environment at home and abroad in the current and future period, China’s economy can not be like the previous period as in the high-speed growth, the slowdown has become the new norm. However, it’s necessary to maintain a certain growth rate. Therefore, on the one hand, deepen reform, accelerate the transformation of economic development pattern, adjust the economic structure; on the other hand, through new initiatives to strengthen the implementation of all-round opening-up, to expand economic cooperation, and to promote the “going out” policy. Through exporting the overcapacity, China’s economy is expected to complete the transformation and upgrading as a whole. If implemented smoothly, the One Belt and One Road will be a kind promotion for the transformation and upgrading.

There are 4.4 billion population and $21 trillion economic output totally in the countries along the route of the Belt and Road, accounting for 63% and 29% of the world. Most of them are the emerging economies and developing countries, which are generally on the rising period of economic development. Therefore, the One Belt and One Road will not only benefit the development of the countries along the route, may also make the region become the global economic development pole. From the view of space, the “Silk Road Economic Zone” can be divided into two parts: domestic and foreign sections. For the domestic section, in the traffic channel, has formed three mail lines—north line that is mainly based on the New Eurasian Continent Bridge, middle line mainly based on the oil and gas pipeline, south line mainly based on the cross-country highway. The international section of the Silk Road is mainly involved in China and Central Asia, South Asia, the Middle East, even radiates and effects to the Europe. “21st Century Maritime Silk Road” not only inherited peace and friendship, mutual benefit and win-win value concept of the ancient “Maritime Silk Road”, but also gave new connotation - higher cooperation level, broader coverage, more participating countries, link up the market chain of the ASEAN, South Asia, the Middle East, North Africa, Europe and other major economic zones.

From a regional perspective, the Belt and Road is conducive to China’s underdeveloped central and western economic development, is conducive to the eastern region to expand the opening-up. “The Belt” is mainly involves Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Chongqing, Sichuan, Yunnan, Guangxi and other western provinces. Inner Mongolia Autonomous Region also belongs to this range. Taking into account the three northeastern provinces of China, especially Heilongjiang and eastern Russia have close economic relations of cooperation, and the Siberian railway and other relations, Heilongjiang, Jilin and Liaoning are important areas along “The Belt”. “The Road” is mainly related to Jiangsu, Zhejiang, Guangdong, Fujian, Hainan and other eastern provinces, Shandong and Henan will also be included in the range of “Maritime Silk Road”.

From the security considerations, the implementation of the “Maritime Silk Road” is conducive to China to reduce dependence on the South China Sea and the Malacca Strait, thereby reducing the risk of transportation. More than 60% of China’s foreign trade transport and more than 90% of energy imports transport have to pass through the Strait of Malacca. Similarly, the “Silk Road Economic Zone” is conducive to the stability of Xinjiang, and it will play a very important role to Xinjiang’s economic development.

Interconnection is foundation and condition that pushes forward the One Belt and One Road. Interconnection between China and the countries along the route will be strengthened by speeding up infrastructure construction, which is conducive to the realization of traffic and trade facilitation among countries as soon as possible, and to promote bilateral trade and economic development. As for imports, the One Belt and One Road will expand domestic demand for technology, consumer goods and other commodities. With the transformation and upgrading of Chinese economy, some advanced technologies that can not be independently researched and developed need for secondary innovation on the basis of import to improve the level of technology; some up-graded consumption...
that can not meet domestic demand also need to be achieved through the import. Historical process of the One Belt and One Road (see Table 1):

<table>
<thead>
<tr>
<th>TIME</th>
<th>SITUATION</th>
<th>CONTENT</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 7th, 2013</td>
<td>General Secretary Xi Jinping’s Visit to Kazakhstan</td>
<td>The innovative model of cooperation, jointly build “Silk Road Economic Belt”</td>
<td>Chinese leaders put forward the initiative for the first time in the international public</td>
</tr>
<tr>
<td>Oct. 3rd, 2013</td>
<td>General Secretary Xi Jinping’s speech to the Indonesia Congress</td>
<td>initiative to set up Asian Infrastructure Investment Bank, to build the 21st Century Maritime Silk Road</td>
<td>the construction of interconnection in the ASEAN countries</td>
</tr>
<tr>
<td>Dec., 2013</td>
<td>Central Economic Work Conference</td>
<td>Promote the construction of the Silk Road Economic Zone, to build the “21st Century Maritime Silk Road”</td>
<td>Strengthen infrastructure interconnection construction, tighten the mutual interests</td>
</tr>
<tr>
<td>Feb., 2014</td>
<td>Chinese President Xi Jinping’s talk with Russian President Putin</td>
<td>Construction of the “Silk Road Economic Zone” and “Maritime Silk Road”</td>
<td>Russia Trans-Eurasia Railway</td>
</tr>
<tr>
<td>Mar., 2014</td>
<td>Li Keqiang’s introduction of focuses in 2014 in the “Government Work Report”</td>
<td>Planning and construction of the “Silk Road Economic Zone” and “21st Century Maritime Silk Road”</td>
<td>Promote the construction of Bangladesh-China-India-Myanmar and China-Pakistan economic corridor</td>
</tr>
<tr>
<td>Nov., 2014</td>
<td>General Secretary Xi, at the eighth meeting of Leading Group for Financial and Economic Affairs</td>
<td>Silk Road economic belt and the 21st century Maritime Silk Road is a large inclusive development platform.</td>
<td>General Secretary of the rapid development of the Chinese economy combine with the interests of countries along the route</td>
</tr>
<tr>
<td>Nov., 2014</td>
<td>General Secretary Xi, at the 2014 China APEC Summit</td>
<td>China will invest $40 billion to set up the Silk Road fund.</td>
<td>The Asian Infrastructure Investment Bank took a substantial step forward in its preparations.</td>
</tr>
<tr>
<td>Dec., 2014</td>
<td>Central Economic Work Conference</td>
<td>The implementation of three strategies - “One Belt and One Road”, Beijing-Tianjin-Hebei collaborative development, the Yangtze River economic zone.</td>
<td>Optimize the spatial pattern of economic development.</td>
</tr>
</tbody>
</table>

2.2 Features of the One Belt and One Road

The One Belt and One Road has its own feature in terms of nature, organizational form and way implementation.

(1) The One Belt and One Road, as a strategic planning, is merely a basic framework, and then gradually becomes substantial and specific in content. Therefore, it is unlikely to make a detailed and systematic planning at the beginning.

(2) Belt and Road, unlike the “economic zone”, which has close relations with economic integration, it has the characteristics of openness, flexibility and diversification of forms of cooperation, which can be bilateral cooperation or multilateral cooperation. All participants operate on the voluntary basis. Fields of cooperation are also unrestricted; participants choose the fields of cooperation and specific projects according to their demands.

(3) The implementation of One Belt and One Road is carried out through the joint consultation and joint efforts of the participating countries. There is no leading or dominant country, and the participants have equal status. This fully embodies the spirit of peace, cooperation and harmony in the ancient “Silk Road”. Through friendly cooperation, mutual benefit and common development
are achieved. The ultimate goal is to form a “community of interests” and a “community of destiny”. However, it is proposed that the status of participants are equal, the way of economic cooperation is friendly consultations, seeking common ground while reserving differences, we cannot deny that a country maybe play more organizing function in the implementation of the One Belt and One Road. In some areas of cooperation or a cooperative project, such as China in the establishment of Asian Investment Banks and the Silk Fund, play a more important role, but the principle of mutual benefit and win-win will not be affected. In fact, the participating countries can get more benefit from China’s development.

(4) In construction of the Belt and Road, to promote compatibility, opening and development is an important principle and feature. The compatibility, opening and development has abundant intension: (A) All the participating countries, big or small, strong or weak, should maintain the spirit of mutual understanding, mutual tolerance, sharing opportunities, altogether to tackle challenges and create prosperity in the process of cooperation. (B) Maintain the spirit of political mutual trust, good-neighborly friendship, and economic complementarity in various fields of cooperation. (C) Promote an open and diversified development, don’t exclude the one that cooperates with other international economic organizations. (D) It is not a closed exclusive mechanism, its range is unrestricted, and any participating country can be engaged in a variety of forms as long as it is desirable and beneficial. In China, there is no limit for provinces or autonomous regions to take part in, and provinces, autonomous regions and municipalities can decide on the principle of being needed, favorable and beneficial for them.

Asia-Pacific interconnection blueprint is represented by the One Belt and One Road, which fully takes into account China’s production capacity advantage in the field of infrastructure, as well as the lack of infrastructure in neighboring Asian countries such as railways and highways. The One Belt and One Road breaks through the market friction factors in the real economy, and provides potential tremendous possibility for Asian-Pacific economic cooperation which is mainly composed of developing countries. It is a lofty tragic outlook which provides a vast potential market for the global optimization of China’s infrastructure.

3. SWOT Analysis on the One Belt and One Road

It is necessary make a SWOT analysis on implementing the One Belt and One Road

3.1 Strengths

(1) China has become the world’s largest goods trade country, the world’s largest foreign exchange reserves, and the world’s third largest investor. By the end of September 2014, China’s overseas financial assets of up to $6.29 trillion, foreign financial liabilities of $4.49 trillion, foreign financial net assets of $1.8 trillion. It is expected that the pace of global distribution of China’s capital will be significantly accelerated along with the strategies of The One Belt and One Road, “Free Trade Area of the Asia-Pacific” and “Bilateral Investment Treaty (BIT)”. China will soon have $300 billion capital export ability per year.

Many countries along the route of the One Belt and One Road are in urgent need of industrialization and financial support, which provides a way to resolve the excess capacity and to support sustainable development of industrial capacity for China; to strengthen the economic and trade cooperation between China and the countries along the route is both practical and long-term strategic selection. The output of capital, technology and management experience will promote the development and prosperity of neighboring countries, promote China’s own economic upgrading and regional development rebalancing, and promote regional economic integration centered on China’s economy.

(2) The focus of the opening up to the east is to promote the upgrading of the domestic economy, and to promote the development of the domestic high-tech economic sectors through the export of capital, equipment and management experience.

Opening up to the east needs to properly work out the territorial and maritime rights and interests of the South China Sea and the East China Sea. For the disputed islands, it needs to return to Deng Xiaoping’s proposition—“Persisting in sovereignty, helving disputes and joint development”.
Offshore oil and gas development is a risky work. If it is developed on our own, we have to ask multinational companies to participate to share the risks. It is quite reasonable if more countries participate, share the risks and share the benefits. In the uncontested territory, we have done in this way. Why cannot this be done in the disputed territories?

(3) The focus of opening to the west and south is to develop the economy in western and southern regions to promote the balanced development of national economy. Private capital should be encouraged to participate in, because private enterprise is full of vitality, very flexible, more understanding of local conditions. Its investment is more targeted, more sensitive to investment results. Private capital should be an important force in this round of opening up.

Opening to the west requires us to persuade Russia, from the perspective of the truth and practice, to abandon the traditional realism, to understand this round of opening to the world and sincerely accept this win-win approach.

Opening up to the south needs to strengthen cooperation with Myanmar, India, Bangladesh and Pakistan. After having reaped the benefits of cooperation, these counties will sincerely support and participate in the construction of the Silk Road Economic Zone. Especially, it needs more efforts to maintain the stability of the border area with India.

(4) China’s territory is vast, including both coastal area and inner land. China’s opening up to the world started from coastal areas first, with a focus on promoting the opening and development of the coastal areas. By opening and introducing, the participation of international division of labor, develop the export-oriented economy, expand exports, achieve the rapid development of economy of the coastal areas. Midwest especially western frontier provinces and autonomous regions need to common development with neighboring countries, which is the whole connotation of development in the Midwest of China.

(5) The over two thousand years’ history of construction the Silk Road Economic Zone has proved that as long as we uphold unity and mutual trust, equality and mutual benefit, inclusive and win-win cooperation, countries of different races, religions and cultures can enjoy peace and common development.

3.2 Weaknesses

(1) In addition to a few other developed countries, most of regions in the surrounding areas, especially in the northwest, southeast, are still undeveloped. These areas have strong desire for development. Forming the surrounding strategic areas will enable them to develop. By promoting the construction of “The Belt and Road”, we can construct new common development areas, form the interest community, drive the development of neighboring countries, improve our relations with neighboring countries and strengthen mutual trust.

(2) The effective coordination mechanism of Chinese enterprises has not been established, because of the complexity of economic fundamentals, and the lack of China’s radiating capacity and importance in the global economy.

(3) Chinese enterprises are not well-prepared for “going out”. “Going out” strategy was put forward in 2001, domestic political, financial and legal environment are different from foreign countries, a lot of enterprise that trying to go out ultimately failed. This requires enterprises to improve their capacity, but also need assistance from government.

(4) China’s foreign cooperation involves a number of government departments, including the Ministry of Commerce, the Ministry of Foreign Affairs, the Ministry of Finance and the Ministry of Agriculture, as well as the Export-Import Bank and the China-Africa Fund. They all have foreign aid funds, so the capital is too scattered to use intensively. It is necessary to draw lessons from the experience of developed countries to set up a unified “external development cooperation committee” to coordinate relations and works. In this way, it will be more effective to combine the resources and change the pattern of international development.

(5) In practice, the implementation of these plans may encounter setbacks due to doubts about Chinese political objectives and local resistance. The influence of geopolitical competition is non-negligible.
The construction of common interests is regarded as a kind of big country’s power competition, the national cooperation in the region is regarded as “seemingly harmonious”. However, in general, the understanding and approval of the major countries in the region are more than doubts and opposition to the initiative.

### 3.3 Opportunities

(1) Belt and Road construction marks a significant strategic shift in understanding of relations with neighboring countries, namely, to promote the construction of our country and neighboring countries’ interests of the community and common destiny. Since the reform and opening up, China’s economy develop rapidly, and has become the main market of the neighboring countries, providing more and more benefits for these countries’ development.

(2) Through the New Silk Road, develop global infrastructure and trade. The BRIC National Bank, Silk Road Fund and the Asian Investment Bank provide financing. The internationalization of the RMB is also becoming a “hard investment” rather than the capital account-driven trade. China is building the Asia Infrastructure Investment Bank, and set up the Silk Road Fund.

### 3.4 Threats

(1) There are some international public opinion views that China’s the One Belt and One Road is an expansionary strategy, and some think that China is engaged in the Belt and Road is to occupy other countries territory or to serve the domestic economy. Some foreign scholars over-interpreted political motives of the One Belt and One Road, which will challenge the existing regional cooperation mechanism. In particular, some people misinterpreted it as a Chinese version “Marshall Plan” recently. Some even related it to the historical “tribute system” to distort its basic connotation. It’s mainly because western countries do not understand our true intentions. In this regard, we should highlight the ancient Silk Road spirit of promoting openness and tolerance, peace and cooperation, mutual benefit and win-win idea, and the modern core connotation of the One Belt and One Road—openness, inclusiveness, mutual benefit, win-win. So those countries along the route will become a “community of interests”, “community of development” and even “community of destiny”.

(2) As the level of mutual trust between neighboring countries in Central Asia is “extremely low”, multilateral diplomacy may not be able to proceed smoothly. Despite the growing influence of China in the region, Russia’s interests still need to be recognized, because Central Asia is also seen as part of the Russia’s backyard. Some analysts worry that China may gradually dominate Central Asia. “China is too strong, and we are worried about being completely controlled ... it is difficult to deny the benefits offered by China”, said by Nargis Kasenova, an expert on Central Asian Studies at the University of Economics and Strategic Management in Kazakhstan, “but we will not completely Accept the influence of China. We just hope to benefit from the economy”.

(3) China has become an object that the United States implements exclusion, containment and isolation policy. China has been regarded as their most important competitors in global economy. The US-led World Bank (WB) and the International Monetary Fund (IMF) have kept making the relevant timetable that China’s economy will surpass the United States in economy. While Goldman Sachs, Peterson Institute for International Economics and other institutes have also released the relevant research reports. Propagandists, represented by Nobel Prize winners, overestimate Chinese economy from time to time. Apparently the United States released a signal that China will become a global economic power and even a capital power; in essence, the United States is afraid that China becomes “super economic power”.

(4) There are some disadvantage and restricting factors of the current international security situation, because the current international security arrangements are deliberately excluded China or to curb and compete with China.

Based on the above SWOT analysis, it is proposed to take the development strategy of expanding the advantage, creating the opportunity, avoiding the disadvantage and reducing the risk.
4. An Analysis of Sino-US Game in the Belt and Road

The United States, Russia, and India are the major powers with “key influence” along the route of “The Road and Belt” and have vast interests in the region [1]. “The Road and Belt” energy cooperation is promoted by China. In fact, there is competition or contradiction with the three countries interests. This is the objective phenomenon of international politics and economy, and is characterized by regularity to some extent. Especially for Sino-US relations, we should treat cautiously, and actively research and analyze the competition, contradictions, and even confrontation. To share benefit in healthy competition will help to win the support from key countries. The United States involved in East Asian affairs and intends to restrict China’s influence in Central Asia and the Middle East, had negative effects on the political environment of the Belt and Road energy cooperation; Russia concerns the Belt and Road construction will downplay the construction of the Eurasian Economic Union; India intent to have Indo-Pacific power status, and there is competition in energy trade and investment with China. Considering the big power factor in energy cooperation, major cooperation projects in regions along the route of the Belt and Road should be promoted, and develop new pattern of relationship between great powers. China and America should communicate actively on Afghanistan, global energy security issues; China and Russia should deepen the Sino-Russian energy strategic cooperation, the reasonable concerns in the energy industry upstream and downstream cooperation, Eurasian economic integration, energy prices and other issues should be taken seriously; China and India should expand the common energy interests, and jointly protect the energy supply security, participate in global energy governance and industry security.

4.1 Confront the America’s Rebalance to the Asia-Pacific Squarely

The United States global strategy tilts towards the Asia-Pacific, and the implementation of the America’s Rebalance to the Asia-Pacific strategy is a way to balance China in security issues. The strategy of America’s Rebalance to the Asia-Pacific changes into “India-Asia-Pacific Rebalancing” strategy in 2016. The United States is deepening its suspicion and prejudices about the rise of China. Its political and academic circles generally believe that the basic reason of the unstable situation in East Asia lies in the rapid development of China’s military power and the increasingly strong foreign policy.

The United States established the Asia-Pacific Cooperation under its leadership, which is a kind of competition for existing cooperation mechanisms between China and neighboring countries. It’s a way to balance China in economic affairs. In 2013, the United States facilitated Japan to join the negotiations of “Trans-Pacific Partnership Agreement” (TPP), pursuing efforts to promote the “US-ASEAN Economic Cooperation Initiative” (E3) and to expand economic cooperation with East Asian. As for Central Asia, the United States led the “New Silk Road” project and involved in the regional affairs. In addition, in order to restrict China, the United States accused of existing environmental, historical protection worries in China-led projects in Southeast Asia, South Asia, and Central Asia. United States makes obstacles for the implementation of our cooperative project.

June 25, 2015, the US House of Representatives passed the Trade Adjustment Assistance Act (TAA). And the “fast track” of the Trade Promotion Authorization Act (TPA) was passed previously. President Barack Obama won domestic condition to promote the TPP agreement signing. July 31, 2015 the Ministerial Meeting on the Trans-Pacific Partnership Agreement (TPP) was held to further advance the TPP process. The members of TPP agreement include the United States, Chile, Peru, Vietnam, Singapore, New Zealand, Malaysia, Brunei, Australia, Japan, Canada and Mexico. Twelve of them have signed free trade agreements with China except for the United States, Canada and Mexico.

How to avoid the zero-sum game is the key to Sino-US new power relations. Both powers should strengthen contact and communication, to create a win-win situation. In the case of America’s “contact and containment” strategy, the strategy of fighting but breaking is a proper choice.
4.2 Concern Sino - US Competition and Cooperation

There are contradiction and competition in the politics, economics, trade, security, culture and many other aspects between China and America. The purpose of promoting the Belt and Road energy cooperation in major projects construction is to create a mutually beneficial and win-win space, and to minimizes America’s doubts and conflict for China’s promoting relevant international cooperation.

The Middle East, the Gulf and other major energy producing areas of the world has been American important strategic area to prevent the world’s energy disorder and to deal with major emergencies. Oil as the representative of the energy resources has attributes of commodity, finance and geopolitics, and is closely related to the U.S. dollar hegemony. In the context of the decline in U.S. energy imports, energy producing countries have generally put greater emphasis on relations with China. While it is committed to promoting the development of the Belt and Road energy cooperation, China will expand its influence in the main energy producing areas with expanding the scale of trade, infrastructure construction, and the establishment of energy cooperation mechanism. The shift of influence between the United States and China in the relevant regions is a kind of challenge to the dominance of the United States, and it is easy to cause the counteraction of the United States. (See Table 2)

Table 2. Competition and Cooperation Between China and the US.

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>CHINA</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>Emerging power</td>
<td>Established power</td>
</tr>
<tr>
<td></td>
<td>The largest developing country in the world, and the largest socialist country.</td>
<td>The largest developed country in the world, and the most typical capitalist countries.</td>
</tr>
<tr>
<td>Competition</td>
<td>East Asia</td>
<td>TPP</td>
</tr>
<tr>
<td></td>
<td>ASEAN FTA 2.0, RCEP, China-Japan-South Korea FTA negotiations</td>
<td></td>
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<tr>
<td></td>
<td>Europe</td>
<td>China EU FTA negotiations</td>
</tr>
<tr>
<td></td>
<td>Military</td>
<td>Non-confrontation, non-conflict, win-win cooperation</td>
</tr>
<tr>
<td></td>
<td>Economics</td>
<td>China-US SED (7 rounds)</td>
</tr>
</tbody>
</table>

4.3 Implement Multi-win Strategy in the Sino-US Game

In the four-party game, the United States, Russia, India, China, multi-win strategy or win-win strategy should be adopted as far as possible, avoiding single win or single loss. The most important and most critical is to develop and perfect the worst case responding solution. Continue to maintain, and basically keep “fighting but breaking” and being “harmony in diversity”. At the same time, be ready to confront and deal with new changes.

(1) The change of China-US strength contrasts: from the relation of “super” and “strong” to the relation of “No.1” and “No.2” relationship. America’s strategy toward China also changes from coping with the China’s rise to thinking about coping with the major strategic competitor. Sino-US relation in the new era is a kind of significant competitive relation, reflecting in the geopolitics, military security, development pattern, development concepts and other fields.

(2) The change of USA and China’s strategies. The United States strategy changed from the anti-terrorism to coping with the rise of great powers, from the Middle East to the Asia-Pacific. The United States strengthens expansion of Asia-Pacific, forming all-round pressure against China at military, diplomatic, economic, politics and geography. China adopted One Belt and One Road and “the sea reclamation” strategy to resist the US strategic pressure.

(3) The change of strategic foundation. The United States has started the strategy that changed from the anti-terrorism to coping with the rise of great powers. Economic and trade relations are still critical foundation for Sino-US relations, but as China and the United States simultaneously transform the mode of economic development, the original complementary economic relation weakened, competitive relation strengthened.

(4) The change of environment. From the external environment perspective, Sino-US relations
are increasingly subject to the “third-party factors” interference or even kidnapping, such as Japan, the Philippines, Vietnam, North Korea, Sudan, Iran, Myanmar, Ukraine, Russia and other countries.

In short, the China-US game is the main line; the United States and Russia is the leading role in the contest. The United States has regarded China as the highest level of strategic competitors; only China has comprehensive strength to challenge the United States position. Based on this current situation, we must adhere to the principle of “fighting but breaking” and being “harmony in diversity” to respond positively.

5. Strategy Selection of the One Belt and One Road

China should adhere to the principles that are “policy communication, road interconnection, trade flow, currency circulation, identification with each other”. The implementation of One Belt and One Road covers a wide range of time and space, span, long cycle, follows with the whole process of economic development in the new round of China’s opening up. Therefore, we should strengthen the combination of the top-level designing and “crossing the river by feeling for the stones”. The overall advancement and key breakthroughs should promote each other. Very detailed implementation plan need not be made at the national level. And the government should focus on establishing the principles, objectives, principles, paths, leaving enough space for the market and enterprises. To push forward the regional cooperation gradually—from micro-level to macro-level, from small part to the whole region, and. China should arouse the enthusiasm of the relevant countries to participate by sharing the substantive interests and prevent the short-term goals being too high and too large.

5.1 The Special Value of the Middle East

Belt and Road strategic framework includes five key pivots: Central Asia, Southeast Asia, the Middle East [2], Central and Eastern Europe. The Middle East is rich in oil resources, is a key area in Silk Road Economic Belt; the Middle East region lies in three continents connection point and hub of Asia, Africa and Europe, is the hub of Maritime Silk Road. With economic growth, China has now become the world’s largest energy consumer, the second largest oil-importing country, the energy factors is of growing importance in the China diplomatic strategy. Energetic cooperation between Middle East and China becomes an important strategic pivot for “The One Belt and One Road”.

5.2 Special Status of Central Asia

The Central Asian countries are weak in economic, political and military aspects [3]. Although these countries have tried their best to safeguard their independent sovereignty in carrying out their internal and external policies, they cannot but be influenced by Russia, the United States and China. The United States, China and Russia respectively have different interests in the geopolitical, economic, military and security in the Central Asian region. The differences in Russia, the United States and China’s policies for the Central Asian countries often cause antagonism or conflict. There is always overtly or covertly, direct or indirect game among these three countries. In this context, for their own interest the Central Asian countries have to be cautious and implement “equidistant” balanced diplomacy. That is to say, it is difficult for them that when Central Asian countries making domestic and foreign policies inevitably are interfered from the big powers and even some degree of restriction. This shows that

Four Central Asian countries—Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, have deep cooperation in the field of oil and gas with China, and traditionally they have been important tragic direction of the Silk Road to the west. After independence from the Soviet Union, Central Asian countries’ railway and other infrastructure constructions are relatively weak. The One Belt and One Road has intersection with Turkmenistan’s ear target of “strengthening for enriching people”, with Kazakhstan’s “2050 Development Strategy”, with Uzbekistan’s “Welfare and Prosperity project”, with Kyrgyzstan’s “National Stable Development Strategy”.

As far as The United States is concerned, the main objective of Central Asia is not to be
controlled by Russia or China. The United States promoted its strategy of democratic transformation of Central Asia, let Central Asia become its anti-terrorism base. Energy in Central Asia is not the United States’ main purpose. For Russia, the main objective is to firmly establish Central Asia as Russia’s strategic backyard and sphere of influence, which is to make Russia an important factor in power. Specifically, Russia’s economic interests in Central Asia are reflected in the following three aspects: restoration of Russia’s geopolitical dominant position in Central Asia and to achieve the interests in the energy strategy; to achieve the Russian-led Eurasian integration; through the introduction of labor immigration to achieve the diplomatic interests and national interests. Central Asian countries are the main source of Russia’s foreign labor migration; Central Asian countries are Russia’s important markets. As far as China is concerned, the main objective is for the security of the western region of China and access to energy resources through economic cooperation. And except for that, China has no other demands to Central Asia. China has always insisted on “three NOs” policy that President Xi put forward when he visited to Kazakhstan in 2013, namely, when China develop relations with Central Asian countries, not to interfere in the internal affairs of Central Asian countries; not to seek regional affairs dominance and not to operate sphere of influence.

5.3 “The Belt” Is the Priority Development Regions

Xi Jinping proposed a specific approach in the eighth Central Economic Leading Group meeting: in the Belt and Road construction, the Silk Road economic zone (“The Belt”) is the priority development regions. Because “The Belt” construction has a certain basis, a number of cooperation projects have started or are brewing. “Outside the area” of the building, Central Asia is not only a key area in the construction outside China, but also China’s first stop to open up to the West. This is determined by a variety of factors: first, from the geopolitical point of view, Central Asia is the center of the Eurasian continent, its importance is obvious; second, China and Central Asia have a considerable basis for economic and trade cooperation; third, Central Asia is a resource-rich region; fourth, boundaries between China and Central Asian countries have all delineated, and there is no political problems that is difficult to solve; fifth, there are “three forces” that threaten security in Central Asia, so to strengthen cooperation with the Central Asian countries is conducive to China’s northwest frontier security. These factors determine that the Central Asia is the priority arrangement and development region. At the same time, we should actively develop cooperation with Russia.

5.4 Build Transportation Infrastructure First

To promote Russian-China cooperation projects and India-China cooperation projects that have signed; to actively participate in Russian-China building high-speed rail cooperation; to promote railway cooperation projects of China-Laos, China-Thailand, China-Pakistan, China-Kazakhstan. Promote construction of the railway interconnection between China and its neighboring countries. Give full play to the role of the railway cooperation organizations, railway union, China-US Transportation Forum and other mechanisms, strengthen communication and cooperation with international organizations such as the International Organization for Standardization, and actively carry out intergovernmental railway exchanges and cooperation.

Cooperation in transportation infrastructure should take the first step. As the name suggests, road is necessary for the “Silk Road”, transportation building is the foundation of forming an economic belt. “Silk Road” will be a special transport corridor from Asia (specifically from western China) to Europe. It’s a trans-national transport corridor which is almost across the Eurasian continent. Russian scholar Tatyana Golovanova, referring to the significance of the transport corridor, pointed out: It make China, Russia and Central Asian countries take a new step in economic and trade cooperation. The new transport corridor will not only facilitate the circulation of goods and services, but also give birth to new industrial clusters, new industries and technologies. If this initiative can be achieved, China will shorten the freight cycle. Chinese goods take 45 days to Europe by sea, takes two weeks by the Siberian railway, takes less than 10 days by the new Silk Road. The construction of this transport corridor will benefit both Russia and Central Asia.

Both Russia and Central Asian countries, in terms of transport facilities are not very developed,
especially in the eastern region of Russia is relatively backward. Kazakhstan in the construction of transport facilities is also facing a huge task, which needs to cooperate with foreign countries in construction of transport facilities, in terms of capital and technology and other aspects. China can become an important partner in this field.

At present, China has two railways to Kazakhstan: one is in the Alashankou, one in the Horgus port. Relying on the railway at the port, China and Kazakhstan have established an international cooperation center and international cooperation zone, which is expected to reach 25 million tons of freight in 2018. In addition, the railway and highway links between China and Kazakhstan mean that China and Central Asian countries are connected. After the construction of the China-Kyrgyzstan railway and China-Uzbekistan Railway, a quite complete three-dimensional transportation network will be formed in Central Asia.

Trans-Asian Railway Network consists three lines—middle line, east line and west line. The middle line starts from Kunming (Yunnan Province), passes through Jinghong, Mohan, arrives in Vientiane, the capital of Laos, then passes by Bangkok, the capital of Thailand, and Kuala Lumpur, the capital of Malaysia, and arrives in Singapore; the east line starts from Kunming, passes through Hanoi, Ho Chi Minh City, Phnom Penh to Bangkok; the west line starts from Kunming, passes through Ruili, Yangon to Bangkok. These three lines meet in Bangkok and then pass through Kuala Lumpur, and arrive in Singapore.

On December 26, 2014, Lanzhou-Xinjiang high-speed railway, Guiyang-Guangzhou High-speed railway and Nanning-Guangzhou high-speed railway opened at the same time, enrich the high-speed rail network in China, and carry through the idea of the Belt and Road.

5.5 Energy Cooperation Is the Priority in “The Belt”

Energy cooperation will make the Silk Road economic belt construction have more important practical significance and strategic significance. The main reasons are as follows:

First, there are some major producers and exporters of energy and some consumers and importers of energy in the “Silk Road Economic Zone”. The former are Russia, Kazakhstan, Turkmenistan, Azerbaijan, Iran and other countries; the latter are China, India and other countries. It is very important for the energy security of both sides’ to cooperate between energy resource countries and consuming countries.

Second, the energy cooperation between the above-mentioned countries has a solid foundation. Take China and Russia, in 2013 China’s oil imports from Russia 24.35 million tons, the supply will gradually increase, and two countries have cooperation in electricity, coal and nuclear energy. In May 21, 2014, China National Petroleum Corp. and Gazprom signed the “Sino-Russian gas purchase and sale contract “in Shanghai. According to the agreement, from 2018, Russia began to supply China gas via East Gas Pipeline of Russia and China. The Gas volume will increase year by year, eventually reaching 38 billion cubic meters per year, a total of 30 years. At present, gas cooperation projects that supply China gas via the West Gas Pipeline is under negotiation.

In 2012, Kazakhstan exported 10,703,700 tons of oil to China. Turkmenistan exported 24.1 billion cubic meters of gas to China in 2013, which increased by 22% from 2012, accounting for half of China’s total imports of natural gas. Uzbekistan’s natural gas exports to China increased year by year, to 2016 may reach 25 billion cubic meters.

Third, in the future, oil and gas cooperation among China, Russia, Kazakhstan, Ukraine and Turkey will be growing and will be developed towards the upstream, midstream and downstream and other fields. On the other hand, these countries have highly complementary each other in development of resource, capital and technology.

5.6 From Point to Plane, from Micro to Macro

China is now established some overseas economic and trade cooperative zones, which can be contact points of the Belt and Road. The so-called overseas economic and trade cooperative zone refers to the establishment of economic and trade cooperation zones in foreign countries. The enterprises in China take the lead and attract local enterprises and relevant enterprises at home and abroad to form a cooperative mode of industrial clusters. Ministry of Commerce website shows that
there are 16 cooperative zones located in Asia, Europe, Africa, Latin America and other places. FTAs in negotiations between China and other countries can be regarded as new fulcrum for “The Belt and Road”. Meanwhile China is forging the China-Singapore economic corridor, the new Eurasian Continental Bridge economic corridor, the China-Iran-Turkey economic corridor. Continue to push the construction of the China-Pakistan economic corridor, the China-Mongolia-Russia economic corridor and the regional economic cooperation between China, India, Burma and Bangladesh.

With the implementation that Pakistan handed over the land use right of Gwadar port and the FTA 2281 acres to China, China-Pakistan economic corridor has been launched as a sample of “The One Belt and One Road”. Gwadar port is located in the Indian Ocean, the exit of the Hormuz Straits, the location is very important. It is not only a trade port, but also the Chinese navy base in the Indian Ocean port. In the future, once the China-Pakistani railway open, China’s influence on the Indian Ocean, the Middle East and Africa’s influence will be strengthened and expanded. And it will further reduce China’s dependence on Malacca.

5.7 Take into Account the “One Continent”—Africa

In “The Road and Belt Initiative” coupled with “One Continent” Africa strategy, which promotes moving China’s labor-intensive industries to Africa. Infrastructure investment will not only promote economic growth in the host country, but also stimulate exports from other countries, including developed countries. There is room for improvement in the infrastructure of the developed countries, and the infrastructures in developing countries are very poor except for China. If pension funds in developed countries, China and oil-exporting countries’ foreign exchange reserves are used to buy a large number of government bonds, the yield is very low. It is a wise choice that the capital is used for infrastructure investment.

China also has an important advantage that is a huge labor-intensive industry. As a result of rising wages, China’s comparative advantage gradually disappeared. Previously there has been a lot of similar transfer from one area to another. But this new feature is the huge size of China’s labor-intensive industries. According to the third industrial census, the number of workers in China’s manufacturing industry is 124 million, which is equivalent to 12 times that of Japan. Except for Africa, there is no country to undertake such a large-scale transfer of labor-intensive industries. Africa has one billion people, a large number of surplus labor force in rural areas, a high proportion of young people, the wage level is only one-tenth to one-fifth of China. In the transfer of labor-intensive industries to Africa, there have been Hua Jian Group Company and other successful cases. China can help developing countries to eliminate growth bottlenecks, the introduction of “hematopoietic system”, let all developing countries develop.

Conclusion

The One Belt and One Road reflects the concept of innovation, cooperation model of innovation, cooperation content innovation, and institutional innovation. From the view of current situation in the world, regional cooperation is generally network or block pattern, however the Belt and Road cooperation is banded, stripped pattern, this kind of cooperate vision has rare precedent in the history of the world. Innovative ways of cooperation, from this point of view, it is more urgent and important. “One Belt and One Road ” reflects the new trends in China’s economic development strategy: from the direct competition in the export market to the indirect creating in foreign market’s demand; from the separation of domestic and foreign affairs to the integration of domestic and foreign affairs; from a single country cooperation to regional economic cooperation.

The market should play a decisive role in strategy selection. The decisive role of the market in line with the objective laws of economic development, which is a common law of promoting the economic and trade exchanges among different countries. To conduct the One Belt and One Road needs the function of government management services, and the market adjustment and resource allocation function, reducing the bound to the market, activating internal energy and vitality of the market entity. Enterprises should be the main push and support to the Belt and Road construction,
practicing the principle that government provides support and services to enterprises. The reform experience of the Shanghai Free Trade Zone can be replicate and used widely in construction of the Belt and Road. The experience is mainly about conducting negative list management as a core of foreign investment management system; focusing on trade facilitation trade supervision system, transforming the government functions as the core of the in-after the event supervision system.

In the One Belt and One Road construction, the strategy of “cultural and academic communication first, letting correct ideology guide practical work” should be adopted. Gradually develop cooperative projects operation through the way of academic exchanges and business cooperation. Support and guidance from government is the guarantee and conditions for the project running. Market mechanism is the practical operation. For example, the China Forum of The Belt and Road, Sino-Arab Economic And Trade Forum and Sino-Arab Exposition that has been successfully held for four consecutive years in Ningxia. The SCO, China-Central Eastern Europe, and the Great Mekong Subregion Cooperation Meeting will become the new strategic cooperation platform of the Belt and Road. And the Belt and Road is becoming steadily a economic circle that involves China, Asia Pacific and Europe’s, and is the longest span economic corridor in the world. As the circle nearly 60 countries closer economic and trade exchanges with the pace of RMB internationalization will speed up soon, and will be formed in the economic corridor “RMB” area. With promoting the One Belt and One Road, the economic and trade exchanges are closer between China and nearly 60 countries in this circle. Therefore China accelerated moves to internationalize China’s currency (RMB), and the economic corridor will become a regional of RMB.

Leaders of current Administration attach great importance to “One Belt and One Road” and promote it actively. It is not only the medium-and-long-term national development strategy, but also the strengthening strategy, which can resolve the excess capacity. It will open the way to the sustainable development of industrial capacity. It is worth stressing that China try to construct a mutually beneficial and win-win “the community of interest” and “the community of destiny” for common development and prosperity. “Community”, in terms of original meaning, refers to people forming a collective in the common conditions. In the process of European integration since the 1950s, especially for the establishment of the European Economic Community (EEC) in 1965, “the community” was truly well known and became an important concept in the field of international relations. Since then, the community has gradually become a higher-level form of regional economic cooperation, the degree of integration between the customs union and the economic union. At present, there are some regional cooperation organizations that are in the form of communities in the world, such as the Eurasian Economic Community, the Southern African Development Community, the Economic Community of West African States and so on. It should be said that the economic community is a kind of mechanism in the field of regional economic cooperation, is one form of the community, but not limited to this. In particular, with the further development of economic globalization, and with the adjustment of international order and governance structure, there are more and more common challenges and external issues that mankind have to face and solve, inseparable mutual dependency relation has been continuously strengthened, more human need to come together to jointly respond to global challenges. Therefore, the understanding of the community should go beyond the scope of regional economic cooperation and return to the essence of unity, combination, cooperation and win-win situation, so as to promote the common development of mankind at a higher level. General Secretary Xi Jinping repeatedly stressed that the concept of community. He proposed the establishment of the community of destiny with ASEAN and other neighboring countries, Africa, Latin America, Arab countries, to construct a community of interests with France, Germany, the European Union, etc.

The One Belt and One Road is a national comprehensive strategy, which not only has political wisdom, economic benefits and military security, but also embodies the vision of common development and common prosperity. The construction and development of the One Belt and One Road needs to establish a new power relation with the United States.
References

